

Date: 28th June, 2019

To,
The Manager,
BSE Limited,
Corporate Relationship Department
Floor 25, Pheroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Sub: - Annual Report and Notice of AGM for the Financial Year 2018-19

Ref: Scrip Code- 522152

Dear Sir/Madam,

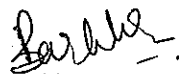
Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that 27th Annual General Meeting of the Company will be held on Tuesday, July 30, 2019 at Gold Coins, 6, Arun chambers, Next to A.C. Market, Tardeo Road, Mumbai, 400034 at 3 P.M. We hereby submit the Annual Report of the Company along with the notice of AGM for the Financial Year 2018-19.

The Company has commenced dispatch of the Notice of 27th AGM and the Annual Report for FY 2018-19 to the shareholders from Thursday, June 28, 2019.

Kindly take the above into records.

Thanking you

Yours faithfully,
For Solitaire Machine Tools limited



Barkha Arora
Company Secretary & Compliance Officer

SOLIATIRE MACHINE TOOLS LIMITED

REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

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BOARD OF DIRECTORS

Mr. A.J. Sheth
Mr. H.J. Badani
Mr. Harsh Badani
Ms. Shilpa Taneja
Mr. A.J. Kothari
Dr.Amita Shah
Ms. Rashmi Desai
Ms. Padmaja K Mukundan

Chairman & Managing Director
Vice Chairman & Managing Director
Whole Time Director
Non-Executive Director
Independent Director
Independent Director
Independent Director
Independent Director

CORPORATE MANAGEMENT

Mr. A.J. Sheth
Mr. H.J. Badani
Mr. Harsh Badani
Mr. N.M.B. Khan

Chairman & Managing Director
Vice Chairman & Managing Director
Whole Time Director
Dy. General Manager (Finance & Corporate Affairs)

REGISTERED & CORPORATE OFFICE

Shop 3-A, Floor-Bas, Plot 731, Part 3, Arun Chamber,
pandit Madan Mohan Malviya Marg, Tardeo, Mumbai-
400034, Tel: 022 66602156

PLANTS

PLANT I

292, Dharamsinh Desai Marg, Chhani Road,
Vadodara- 390002
Tel: 0265 2772415/ 2773585
Email: sales@smtgrinders.com

PLANT II

A-24/25, Krishna Industrial Estate, Gorwa,
Vadodara-390016 Tel: 0265 6580010
Email: sales@smtgrinders.com

WEBSITE

www.smtgrinders.com

AUDITORS

Ajay Shobha & Co
Chartered Accountants, Mumbai

BANKER

Yes Bank, 2nd Floor, Corner Square Building,
Near Inox, Race Course, Baroda-390007

SHARE TRANSFER AGENT

Link Intime India Pvt Ltd
C-101, 247 Park, LBS Marg, Vikhroli (West),
Mumbai 400083

SECRETARIAL CONSULTANT

Oke Thakkar & Associates
Practicing Company Secretaries, Mumbai

Directors Report

To the Members,

The Directors have pleasure in presenting before you the Twenty Seventh Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS :

The Standalone performance during the period ended 31st March, 2019 has been as under:

(Rs. in Lacs)

Particulars	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
Sales (Net)	1559.64	1652.56	1834.07	1565.5	1079.42
Other Income	29.03	41.56	31.51	26.8	15.44
(Increase) / Decrease in stocks	(222.83)	(28.85)	(19.99)	179.04	(159.21)
Profit Before Taxation	207.95	248.45	305.95	169.54	104.63
Less:					
Taxation	73.00	82.00	100.00	66.50	56.00
Excess/Short provision of tax relating to earlier years	7.32				
Deferred Tax	(2.16)	(24.51)	14.40	6.43	26.08
Net Profit after Tax	129.79	190.97	191.54	108.87	62.94
Add: Profit brought forward from Previous Year	900.83	776.54	652.25	584.25	547.88
Profit available for appropriation	1030.62	967.51	843.79	693.32	510.82
Less:					
Proposed Dividend	49.96	56.77	45.42	34.06	22.71
Corporate Tax on Proposed Dividend	11.56	11.55	9.08	6.81	3.86
Less:					
Other Comprehensive Income	0.44	(1.64)	12.75	0.00	0.00
Balance Carried to Balance Sheet	968.66	900.83	776.54	652.25	584.25

The Consolidated performance during the period ended 31st March, 2019 has been as under:

(Rs. in Lacs)

Particulars	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
Sales (Net)	1559.64	1652.56
Other Income	29.04	41.58
(Increase) / Decrease in stocks	(222.83)	(28.85)
Profit Before Taxation	199.68	243.03
Less:		
Taxation	73.00	82.00
Excess/Short provision of tax relating to earlier years	7.32	-
Deferred Tax	(2.35)	(24.74)
Net Profit after Tax	121.72	185.77
Add: Profit brought forward from Previous Year	907.22	788.13
Profit available for appropriation	1028.94	973.90
Less:		
Proposed Dividend	49.96	56.77
Corporate Tax on Proposed Dividend	11.56	11.55
Less:		
Other Comprehensive Income	0.44	(1.64)
Balance Carried to Balance Sheet	966.98	907.22

DIVIDEND:

Your Directors recommend dividend of Rs. 49,96,393.6/- which would be 11% on 4542176 equity shares of Rs. 10/- each for the year ended March 31, 2019 subject to members' approval.

OPERATIONS:

The operation for the year has shown decline in sales compared to previous year. The decline was little over 5 %. The grinders ready with us for over 3 Crores were not picked up by customers. The inventory of semi finish machines went up by 2.6 Crores. The main reason cited was lack of liquidity. The export sales was higher than previous year, but was still only 19 % of total sales.

The uncertainty in domestic as well as International market continues. The entire Machine Tools industry is witnessing this downturn. The major factor is Government decision to implement BS IV standards for Pollution controls from 2020 in auto industry. Diesel engine 4 wheelers will be outdated and eliminated in due course

of time. All 2-wheel vehicles have to be electric vehicle in near future. All this is good for world at large, but its immediate effect is being felt in short term by industry. The turmoil would settle down in current financial year.

The Net Profit declined against last year as inventory went up, but was retained at lower of the cost as per norms. The EPS also came down from 4.20 last year to 2.86 in current year.

In spite of the entire negative scenario, your company has remained Debt Free for eighth year in a row. The Company invested about 39 lacs in upgrading equipment. The previous investments in Fixed Deposits, Mutual Funds etc. were retained as it is. The Bank borrowing from Cash Credit Facility was used sporadically and which can be seen from Finance cost.

EETPC has recognized our Export Efforts and for First time gave us an Award as Large Enterprise for year 2016-2017. This was fifth Award in a row. Ms. Shilpa Taneja received Award on behalf of the Company.

The Company had participated in IMTEX 2019 in Bangalore in Jan. 2019. The newly developed model 3-300 was launched at the show and it was widely recognized. The grinder was confirmed for sale with a new customer and it was supplied after due modification for their application in current financial year. Some more new customers were added to our list and their grinders are being supplied / manufactured during current financial year. Your Company has been working with Government of India Atomic Power department. In earlier years we have supplied several grinders to Nuclear Fuel Complex and now we have received one more grinder order for current year. Orders for 4 more grinders have been confirmed for next financial year for their expansion. One of their sister organization has also placed order for their requirements for CNC grinder. Such orders insulate us from downward trend in automotive field in near future. As requirement of Electric Power goes up, Nuclear Power is one of the major sources being sought by Government for protecting environment.

Our thrust for Export sales is continuing in USA, UK and Europe. We will be participating in an Exhibition in Nov. 2019 in Thailand. We hope to tap in to South East Asia market of Thailand, Malaysia and Vietnam.

Due to slowdown in Sales, many of our customers are now opting for Rebuilding / CNC retrofitting of their old grinders to improve on efficiency and productivity. During the year, we rebuilt 5 grinders and we hope to do rebuild / retrofit 6 to 8 grinders in current year. As Diesel engine phases out, the grinders used for manufacturing parts for these engines, are being retooled up for new components. This would give us opportunity to work with customers and earn additional revenue.

The Company continues with Social development and cultural activities for employees and their family. The company had arranged Rangoli Competition, Children day activities, health Check-up for all employees, Dussehra Pooja and distribution of education related activities for employees' children. The Company plans to further extend Social Development activities in Company's neighbourhood.

The Company continues to improve skill of employees through training. Few new young employees are being added to work force as our work force would be nearing retirement stage. We are fortunate that we have large number of work force, who have been with us for over 20 years and still working to keep up with technological changes taking place in the world.

The Company thanks all its customers for continued support and faith in meeting their requirements. New customers are being added from time to time making our customer base wider. The Company thanks its bankers, Vendors and Government authorities for their continued support.

BOARD OF DIRECTORS:

By the end of the year Four Independent Directors had completed their terms as an Independent Directors and have retired. We thankfully acknowledge their contribution towards the betterment of company's working and the guidance provided by them in their respective field of expertise. The retiring Directors are Mr. Anil Kothari, Dr. Amita Shah, Ms. Rashmi Desai and Ms. Padamaja Mukundan. We hope they will continue to guide us as and when we need their assistance.

After rigorous search, we were fortunate to have a new Panel of Independent Directors inducted to work as of beginning of the year. They are:

Mr. Bharat V. Shah – Bharatbhai is an Electrical Engineer from IIT, Mumbai. He is an Entrepreneur and innovator in manufacturing of electrical motors for past 40 years and now retired. He has been associated with Defence Department of India in development of wide variety of Special Purpose Motors for various war ships as well as for first Nuclear Submarine built in India.

Mr. Nilam M. Patel – Nilambhai is an engineer by education and one of the leading builders principally for Industrial buildings. He has an experience of over 45 years in the field and is semi-retired. For last over 10 years, he has been associated with an Architectural college in Vidyanagar as Honorary Director and has guided it to be one of the finest in the region. The college has all advanced facilities for students and are in process of establishing new college campus.

Ms. Kesha K. Thakkar – Ms. Kesha is a commerce graduate and pursuing for Chartered Accountant. She is currently associated with Niyogin Fintech limited in Mumbai. She has wide experience in the field of Audit and Finance. She would be able to guide the company in Accounting, Finance and related activities.

Ms. Nishita G. Rajput – Ms. Nishita has done Masters in CSR field besides other educational achievements. She is a Social Worker in Vadodara and has been operating an NGO for Girl Education. Much before “Beti Bachao, Beti Padhao” campaign, she had started to work for Girl education. In current year, she plans to arrange for school and college fees for over 10,000 girls and boys. She also arranges for Daily meal delivered free of cost for over 180 old ladies. She will guide us to see that we also meet our social responsibilities, as we have gained a lot from society.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is enclosed as a part of this report.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Report on Corporate Governance and Management Discussion and Analysis Reports has been included in the report. Your company has been practicing the principle of good Corporate Governance over the year. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2019-20 to BSE where the Company's Shares are listed.

DEMATERIALISATION OF SHARES:

89.08 % of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2019 and balance 10.92 % is in physical form.

NUMBER OF BOARD MEETINGS HELD:

The Board of Directors duly met 5 times during the financial year from 1st April, 2018 to 31st March, 2019. The dates on which meetings were held are as follows:

19th May, 2018, 4th August, 2018, 27th October, 2018, 9th February, 2019 and 29th March, 2019.

DIRECTORS:

The Board of Directors are duly constituted. As per provisions of Companies Act, 2013 for retirement by rotation, all executive directors are now liable to retire by rotation.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The term of all the three Independent Directors expired as on 31st March, 2019. They have tendered their resignation and are no longer associated with the Company with effect from 31st March, 2019.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) In the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

COMMENTS ON AUDIT OBSERVATIONS:

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

DISCLOSURE ON NON-APPLICABILITY OF MAINTENANCE OF COST RECORDS

The maintenance of Cost records as specified by the Central government under sub section (1) of Section 148 of the Companies Act, 2013 is not applicable on the Company.

COMMENTS ON SECRETARIAL AUDITOR'S OBSERVATIONS:

There is no malafide intention on the part of company and delay if any, in the matter is inadvertent and caused due to oversight. The Company is in process of complying all the requirements of the Companies Act, 2013 and amended listing agreement.

AUDITORS:

Statutory Auditors:

M/s. Ajay Shobha & Co. (Firm Registration No.: 317031E), Chartered Accountants, Mumbai were appointed as Statutory Auditors for financial year 2017-18 to 2021-22 at the Annual General Meeting held on 29th July, 2017. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors.

Secretarial Audit:

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report Annexure-A.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

a. CONSERVATION OF ENERGY:

The company's operations do not involve substantial consumption of power in comparison to costs of production. However, regulatory measures are there to ensure that the consumption of power is within the norms.

b. TECHNOLOGY ABSORPTION:

The company has fully absorbed the technical know-how received from USA and Italy.

c. FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign exchange earnings of the company during the year 2018-2019 were Rs.296.69 Lacs (Previous Year Rs. 234.01 Lacs) while outgoings were 98.59 Lacs (Previous Year Rs. NIL).

VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.smtgrinders.com under <http://www.smtgrinders.com/policies/> link.

RELATED PARTY TRANSACTIONS:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party

transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure-B.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at www.smtgrinders.com under <http://www.smtgrinders.com/policies/> link.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-C.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There are no Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 during the current Financial Year.

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

- i. The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

S. No.	Name	Designation	Remuneration paid FY 18-19	Remuneration paid FY 17-18	Percentage Increase in remuneration from previous year	Ratio/Times per Median of employee remuneration
1	Mr. Ashok Sheth	Chairman & Managing Director	Rs. 12,80,920	Rs. 15,86,460/-	(19.26%)	4.59
2	Mr. Hemandra Badani	Managing Director	Rs. 12,94,935	Rs. 16,09,722/-	(19.55%)	4.64
3	Mr. Harsh Badani	Whole Time Director	Rs. 11,55,108	Rs. 13,46,573/-	(14.22%)	4.14

ii. Percentage Increase in Median Remuneration of Employees in the Previous Year:

Total Employees in FY 2017-18	Median Remuneration of Employees in FY 2017-18	Total Employees in FY 2018-19	Median Remuneration of Employees in FY 2018-19	Percentage Increase
70	256747	78	278883	8.62%

iii. Average percentage increase in Employee remuneration- 3.85 %

iv. Average percentage increase in Managerial Remuneration- (17.87%)

PARTICULARS OF EMPLOYEES

The total number of on roll employees in Company as on 31st March, 2019- **78**

Details of employees which are covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:

A. Top ten employees in terms of remuneration:

Name of Employee	Date of Commencement	Date of Resignation	Total remuneration paid	Qualification & Experience	Designation	Age	Last employment	Relation with Director
Ashok Sheth	10/09/1987	-	Rs. 12,80,920	B.S-Mechanical Engineering USA with 49 Years of experience	Chairman & MD	71	N.A	Himself
Hemandra Badani	10/09/1987	-	Rs. 12,94,935	B Com Graduate with 44 years of experience	Vice Chairman and MD	66	N.A	Himself
Harsh Badani	31/01/2015	-	Rs. 11,55,108	B.E-Mechanical and MBA with 10 years of experience	WTD	34	N.A	Himself
N M B Khan	15/06/1992	-	Rs.759837	Commerce Graduate with 34 years of experience	Dy. General Manager- Finance & Corporate affairs	56	KR Kanakia & Co.	N.A.
M I Gohil	01/04/2001	-	Rs.588814	ITI with 27 years of experience	Assembly Manager	55	N.A.	N.A.
M.A Bidiwala	09/11/1991	-	Rs.561535	DME with 26 years of experience	QC and Development Manager	47	N.A.	N.A.
Atul Modi	01/11/1996	-	Rs.484199	M.Com with 21 years of experience	Purchase Officer	51	Geeta Valves	N.A.
Girish D Goswami	01/10/1995	-	Rs. 483420	ITI with 24 years of experience	Supervisor	46	N.A.	N.A.
Ranjit D.Soni	01/06/1991	-	Rs.480785	ITI with 28 years of experience	Sr. Machinist	50	N.A	N.A.
Vinu D parmar	01/06/1991	-	Rs.452609	ITI with 28 years of experience	Sr. Machinist	52	N.A	N.A

- B. Employed throughout the year under review & were in receipt of remuneration in aggregate of not less than Rs. 1,02,00,000/- p. a. or Rs. 8,50,000/- per month if employed for part of the year: **N. A.**
- C. Person who are getting more remuneration than MD, WTD or manager and hold 2% or more equity shares together with spouse and dependent children: **N. A.**

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

INTERNAL FINANCIAL CONTROLS

Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

DISCLOSURE REGARDING MSME SUPPLIERS

The Company has as on 31st March, 2019 a total amount of Rs. 7,72,313 as pending for more than 45 days towards the payment of Micro and Small enterprise registered under Micro, Small and Medium Enterprise Act, 2006.

Out of which an amount of Rs. 276563 is still pending to one supplier because of the work pending from his side. For the rest they are our regular suppliers and so bulk payments are made to them almost every month, Company has made the payment of their respective pending amounts as on 18th April, 2019.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace, and has constituted an Internal Complaints Committee against sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Committee aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has not received any complaint of sexual harassment during the financial year 2018-19.

PERFORMANCE EVALUATION

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy. The Board carried out an annual performance evaluation of the Board, Committees, Individual Directors and the Chairperson. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Committees.

The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

DETAILS OF FRAUDS REPORTED BY THE AUDITORS

No frauds have been reported by the auditors under sub-section 12 of section 143 of the companies Act, 2013.

ACKNOWLEDGEMENT:

Directors take this opportunity to express thanks to various departments of the Central and State Government, Bankers, Material Suppliers, Customers and Shareholders for their continued support and guidance. The Directors wish to place on record their appreciation for the dedicated efforts put in by Employees of the Company at all levels.

For and on behalf of Board of Directors

Sd/-
ASHOK J SHETH
Chairman and Managing Director
DIN: 00174006

Place: Vadodara
Date: 18/05/2019

ANNEXURE 'A' TO BOARD'S REPORT

OKE THAKKAR & ASSOCIATES

Company Secretaries

48 & 61, Ultimate Business Centre, 111-A, M. G. Road,

Opp. Mumbai University, Fort, Mumbai: 400 023

Amruta Oke: amruta.otpcs@gmail.com, Cell: + 91 9820082886

Komal Thakkar: komal.otpcs@gmail.com, Cell: + 91 9619114291

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Solitaire Machine Tools Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Solitaire Machine Tools Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Solitaire Machine Tools Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment)
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (6) The Management has identified and confirmed the following laws as specifically applicable to the Company:
- a) Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - b) Employees State Insurance Act, 1948
 - c) Labour Laws, Rules and Regulations applicable to the employees of the Company, including Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - d) GST Act

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards SS-1 and SS-2 issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. with delay in filing some intimations and forms with various Authorities and subject to the following observation:

1. *The Company has not appointed Company Secretary in full time employment as per Section 203 of the Companies Act, 2013 and Compliance Officer as per Regulation 6 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
2. *Delay in submission of Book Closure Notice before Annual General Meeting, Voting results and outcome of Board Meeting with Stock Exchange*
3. *Non publication of Book closure, Notice of Board Meeting, Notice of AGM in News Paper.*
4. *Non-Disclosure of notice of closure of register of members, details with respect to unpaid dividend for the year 2014-15, 2015-16, 2016-17 and 2017-18, terms and conditions of appointment of Independent Directors, Shareholding Pattern, Draft Scheme of Merger, notice of meeting of the board of directors, financial results and the results declared along with the scrutinizer's report on website of the Company.*

5. *Information with respect to loss of share certificates and issue of duplicate share certificates has not been submitted with Stock Exchange in some cases.*
6. *Non-Filing of Annual Return on Foreign Liabilities and Assets*
7. *Forms with respect to Unpaid Dividend and Investor Education Protection Fund have not been filed and non-transfer of shares to IEPF Authority.*

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, there are no specific event / action having a major bearing on the Companies affairs except Board of Directors have approved Scheme of Merger of Shruchi Manufacturing Limited (Wholly Owned Subsidiary) with Company on 31.03.2018 which is subject to approval of National Company Law Tribunal and other authorities as may be required.

For Oke Thakkar & Associates,
Company Secretaries,

Sd/-
Amruta Oke, Partner
C. P. No. 8652

Date: 18th May, 2019
Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members,
Solitaire Machine Tools Limited

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Oke Thakkar & Associates,
Company Secretaries,

Date: 18th May, 2019
Place: Mumbai

Sd/-
Amruta Oke, Partner
C. P. No. 8652

ANNEXURE 'B' TO BOARD'S REPORT

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

1. Details of contracts or arrangements or transactions not at Arm's length basis :

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Nil
2.	Nature of contracts/arrangements/transaction	Nil
3.	Duration of the contracts/arrangements /transaction	Nil
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
5.	Justification for entering into such contracts or arrangements or transactions	Nil
6.	Date of approval by the Board	Nil
7.	Amount paid as advances, if any	Nil
8.	Date on which the special resolution was passed in General meeting as required	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sr. No.	Particulars	Details
1.	Name (s) of the related party	Adventure Advertising Private Limited
2.	Nature of Relationship	Enterprises under significant influence of Key Management Personnel or their relatives
3.	Nature of contracts /arrangements /transaction	Transaction on Assignment basis
4.	Duration of the contracts/arrangements / transaction	N. A.
5.	Salient terms of the contracts or arrangements or transaction	Receiving services of advertisement printing work
6.	Justification for entering into such contracts or arrangements or transactions	Approved by Board of Directors
7.	Date of approval by the Board	10 th May, 2014
8.	Amount incurred during the year	Rs. 5,83,559/-

Sr. No.	Particulars	Details	
1.	Name (s) of the related party	Ashok Sheth	Hemandra Badani
2.	Nature of Relation ship	Chairman and Managing Director	Vice Chairman and Managing Director
3.	Nature of contracts / arrangements /transaction	Remuneration	Remuneration
4.	Duration of the contracts/ arrangements / transaction	5 years	5 years

5.	Salient terms of the contracts or arrangements or transaction	Receipt of Remuneration to act as Chairman and Managing Director	Receipt of Remuneration to act as Chairman and Managing Director
6.	Justification for entering into such contracts or arrangements or transactions	Approved by Board of Directors	Approved by Board of Directors
7.	Date of approval by the Board	31.01.2015	31.01.2015
8.	Amount incurred during the year	Rs. 12,80,920/-	Rs. 12,94,935/-

Sr. No.	Particulars	Details	
1.	Name (s) of the related party	Harsh Badani	Metal Perforation Private Limited
2.	Nature of Relation ship	Whole Time Director	Enterprises under significant influence of Key Management Personnel or their relatives
3.	Nature of contracts /arrangements /transaction	Remuneration	Sales
4.	Duration of the contracts /arrangements / transaction	5 years	N. A.
5.	Salient terms of the contracts or arrangements or transaction	Receipt of Remuneration to act as Whole Time Director	Sale of spare parts
6.	Justification for entering into such contracts or arrangements or transactions	Approved by Board of Directors	Approved by Board of Directors
7.	Date of approval by the Board	31.01.2015	28.10.2017
8.	Amount incurred during the year	Rs. 11,55,108/-	Rs. 30,21,878/-

For and on behalf of Board of Directors

Place: Vadodara
Date: 18/05/2019

Sd/-
ASHOK J SHETH
Chairman and Managing Director
DIN: 00174006

ANNEXURE 'C' TO BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31.03.2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1. CIN: L28932MH1967PLC013747
2. Registration Date: 24/05/1967
3. Name of the Company: SOLITAIRE MACHINE TOOLS LIMITED
4. Category / Sub-Category of the Company: Company Limited by shares
5. Address of the Registered office and contact details: Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034, Tel: 022-66602156
6. Whether listed company: Yes
7. Name, Address and Contact details of Registrar and Transfer Agent, if any:
Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY –

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Cincinnati-20M Centreless Grinders & Loose Spares	28221	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Shruchi Manufacturing Limited Shop 3-A, Floor-Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034	U29253MH1991PLC060001	Subsidiary	100	2 (87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding -

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	2026772	0	2026772	44.62	1980460	0	1980460	43.60	(1.02)
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	-
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	-
(d)	Any Other (Specify)									
	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	-
	Sub Total (A)(1)	2026772	0	2026772	44.62	1980460	0	1980460	43.60	(1.02)
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	53250	0	53250	1.17	1.17
(b)	Government	0	0	0	0.00	0	0	0	0.00	-
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	-
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.00	53250	0	53250	1.17	1.17

	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	2026772	0	2026772	44.62	2033710	0	2033710	44.77	0.15
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	-
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	-
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-
(e)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	-
(f)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	-
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.00	0	0	0	0.00	-
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	-
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1139534	485240	1624774	35.77	1182641	464940	1647581	36.27	0.50
(ii)	Individual shareholders holding nominal	579568	12800	592368	13.04	604546	12800	617346	13.59	0.55

	share capital in excess of Rs. 1 lakh									
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	-
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Other (Specify)									
	Trusts	100	0	100	0.00	100	0	100	0.00	-
	Hindu Undivided Family	112438	0	112438	2.47	129556	0	129556	2.85	0.38
	Non Resident Indians (Non Repat)	28988	0	28988	0.64	3999	0	3999	0.08	(0.55)
	Non Resident Indians (Repat)	34029	0	34029	0.75	22973	0	22973	0.51	(0.24)
	Independent Director	2900	0	2900	0.07	4900	0	4900	0.11	0.04
	Clearing Member	41592	0	41592	0.92	22797	0	22797	0.50	(0.41)
	Bodies Corporate	55215	18400	73615	1.62	38664	18400	57064	1.26	(0.36)
	Market Maker	4600	0	4600	0.10	2150	0	2150	0.05	(0.05)
	Sub Total (B)(3)	1998964	516440	2515404	55.38	2012326	496140	2508466	55.23	(0.15)
	Total Public Shareholding(B) =(B)(1)+(B)(2)+(B)(3)	1998964	516440	2515404	55.38	2012326	496140	2508466	55.23	(0.15)
	Total (A)+(B)	4025736	516440	4542176	100	4046036	496140	4542176	100	0.00
(C)	Non Promoter - Non Public	0	0	0	0.00	0	0	0	0.00	-
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	-
[2]	Employee Benefit Trust under SEBI (Share based Employee Benefit) Regulations, 2014	0	0	0	0.00	0	0	0	0.00	-
	Total (A)+(B)+(C)	4025736	516440	4542176	100	4046036	496140	4542176	100	-

ii) *Shareholding of Promoters –*

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year – 2018			Shareholding at the end of the year - 2019			% change in shareholding during the year
		No. Of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. Of Shares Held	% of total Shares of the company	%of Shares Pledged / encumb ered to total shares	
1	HARSH HEMENDRA BADANI	769793	16.9477	0.0000	769757	16.9469	0.0000	(0.0008)
2	ASHOK JIVARAJBHAI SHETH	716975	15.7848	0.0000	719944	15.8502	0.0000	0.0654
3	BHARATI ASHOK SHETH	400900	8.8262	0.0000	401055	8.8296	0.0000	0.0034
4	SWATI HEMENDRA BADANI	56854	1.2517	0.0000	56854	1.2517	0.0000	0.0000
5	SANJAY ASHOK SHETH	50000	1.1008	0.0000	53250	1.1723	0.0000	0.0715
6	SANDIPBHAI MANUBHAI SHAH	11300	0.2488	0.0000	11300	0.2488	0.0000	0.0000
7	SUNITA MOHANLAL KALANI	10000	0.2202	0.0000	10000	0.2202	0.0000	0.0000
8	SHILPA TANEJA	4700	0.1035	0.0000	4700	0.1035	0.0000	0.0000
9	HEMENDRA JAYANT BADANI	2100	0.0462	0.0000	2100	0.0462	0.0000	0.0000
10	VORA SHRADDHA SUNEEL	2000	0.044	0.0000	2000	0.044	0.0000	0.0000
11	JENI ISAK RANGWALA	950	0.0209	0.0000	950	0.0209	0.0000	0.0000
12	GITA AMIN	500	0.011	0.0000	500	0.011	0.0000	0.0000
13	SUDHIR RAMANLAL MEHTA	500	0.011	0.0000	500	0.011	0.0000	0.0000
14	PRAFUL MAGANLAL VORA	200	0.0044	0.0000	800	0.0176	0.0000	0.0132
	Total	2026772	44.6212	0.0000	2033710	44.7739	0.0000	0.1527

iii) *Change in Promoters' Shareholding (please specify, if there is no change) –*

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2018		Transactions during the year		Cumulative Shareholding at the end of the year – 2019	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Harsh Hemandra Badani	769793	16.9477	-	-	769793	16.9477
	Market Sell			01 Feb 2019	-36	769757	16.9469
	At The End Of The Year					769757	16.9469
2	Ashok Jivarajbhai Sheth	716975	15.7848	-	-	716975	15.7848
	Market Purchase			22 Jun 2018	400	717375	15.7936
	Market Purchase			30 Jun 2018	400	717775	15.8024
	Market Purchase			19 Oct 2018	5	717780	15.8026
	Market Purchase			26 Oct 2018	65	717845	15.804
	Market Purchase			02 Nov 2018	200	718045	15.8084
	Market Purchase			09 Nov 2018	200	718245	15.8128
	Market Purchase			16 Nov 2018	150	718395	15.8161
	Market Purchase			23 Nov 2018	50	718445	15.8172
	Market Purchase			30 Nov 2018	100	718545	15.8194
	Market Purchase			07 Dec 2018	150	718695	15.8227
	Market Purchase			14 Dec 2018	350	719045	15.8304
	Market Purchase			21 Dec 2018	80	719125	15.8322
	Market Purchase			04 Jan 2019	100	719225	15.8344
	Market Purchase			11 Jan 2019	50	719275	15.8355
	Market Purchase			25 Jan 2019	100	719375	15.8377
	Market Purchase			01 Feb 2019	50	719425	15.8388
	Market Purchase			08 Feb 2019	20	719445	15.8392
	Market Purchase			15 Feb 2019	25	719470	15.8398
	Market Purchase			22 Feb 2019	50	719520	15.8409
	Market Purchase			01 Mar 2019	25	719545	15.8414
	Market Purchase			08 Mar 2019	150	719695	15.8447
	Market Purchase			15 Mar 2019	100	719795	15.8469
	Market Purchase			22 Mar 2019	99	719894	15.8491
	Market Purchase			29 Mar 2019	50	719944	15.8502
	At The End Of The Year					719944	15.8502
3	Bharati Ashok Sheth	400900	8.8262			400900	8.8262

	Market Purchase			21 Dec 2018	20	400920	8.8266
	Market Purchase			22 Feb 2019	100	401020	8.8288
	Market Purchase			01 Mar 2019	35	401055	8.8296
	At The End Of The Year					401055	8.8296
4	Swati Hemandra Badani	56854	1.2517	-	-	56854	1.2517
	At The End Of The Year	-	-	-	-	56854	1.2517
5	Sanjay Ashok Sheth	50000	1.1008	-	-	50000	1.1008
	Market Purchase			16 Nov 2018	500	50500	1.1118
	Market Purchase			23 Nov 2018	500	51000	1.1228
	Market Purchase			30 Nov 2018	500	51500	1.1338
	Market Purchase			07 Dec 2018	250	51750	1.1393
	Market Purchase			08 Feb 2019	250	52000	1.1448
	Market Purchase			15 Mar 2019	750	52750	1.1613
	Market Purchase			22 Mar 2019	500	53250	1.1723
	At The End Of The Year					53250	1.1723
6	Sandipbhai Manubhai Shah	11300	0.2488	-	-	11300	0.2488
	At The End Of The Year	-	-	-	-	11300	0.2488
7	Sunita Mohanlal Kalani	10000	0.2202	-	-	10000	0.2202
	At The End Of The Year	-	-	-	-	10000	0.2202
8	Shilpa Taneja	4700	0.1035	-	-	4700	0.1035
	At The End Of The Year	-	-	-	-	4700	0.1035
9	Hemandra Jayant Badani	2100	0.0462	-	-	2100	0.0462
	At The End Of The Year	-	-	-	-	2100	0.0462
10	Vora Shraddha Suneel	2000	0.044	-	-	2000	0.044
	At The End Of The Year	-	-	-	-	2000	0.044
11	Jeni Isak Rangwala	950	0.0209	-	-	950	0.0209
	At The End Of The Year	-	-	-	-	950	0.0209

12	Praful Maganlal Vora	200	0.0044			200	0.0044
	Market Purchase			21 Sep 2018	100	300	0.0066
	Market Purchase			29 Sep 2018	500	800	0.0176
	At The End Of The Year					800	0.0176
13	Gita Amin	500	0.011	-	-	500	0.011
	At The End Of The Year	-	-	-	-	500	0.011
14	Sudhir Ramanlal Mehta	500	0.011	-	-	500	0.011
	At The End Of The Year	-	-	-	-	500	0.011

iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Aditya Pankaj Shah	102681	2.2606			102681	2.2606
	Market Purchase			18 May 2018	1145	103826	2.2858
	Market Purchase			25 May 2018	1000	104826	2.3078
	Market Purchase			01 Jun 2018	8000	112826	2.484
	Market Purchase			24 Aug 2018	1500	114326	2.517
	Market Purchase			31 Aug 2018	4000	118326	2.6051
	Market Purchase			05 Oct 2018	2500	120826	2.6601
	AT THE END OF THE YEAR					120826	2.6601
2	Jain Pal Jain	61752	1.3595			61752	1.3595
	AT THE END OF THE YEAR					61752	1.3595
3	Dipak Kanayalal Shah	57000	1.2549			57000	1.2549
	Market Purchase			06 Jul 2018	2	57002	1.2549
	Market Purchase			31 Aug 2018	1300	58302	1.2836
	Market Purchase			05 Oct 2018	500	58802	1.2946
	Market Purchase			07 Dec 2018	1198	60000	1.321
	Market Purchase			08 Feb 2019	1000	61000	1.343
	AT THE END OF THE YEAR					61000	1.343

4	Ashok Maganlal Shah	49861	1.0977			49861	1.0977
	Market Purchase			22 Jun 2018	1821	51682	1.1378
	AT THE END OF THE YEAR					51682	1.1378
5	SAINATH VISHWANATH RAJADHYAKSHA	34600	0.7617			34600	0.7617
	Market Purchase			06 Jul 2018	1750	36350	0.8003
	Market Purchase			12 Oct 2018	676	37026	0.8152
	Market Purchase			19 Oct 2018	1	37027	0.8152
	Market Purchase			08 Feb 2019	650	37677	0.8295
	Market Purchase			22 Feb 2019	2000	39677	0.8735
	AT THE END OF THE YEAR					39677	0.8735
6	PARAG SHAMJI VED	38052	0.8377			38052	0.8377
	AT THE END OF THE YEAR					38052	0.8377
7	SAINATH VISHWANATH RAJADHYAKSH	32140	0.7076			32140	0.7076
	Market Purchase			06 Jul 2018	4000	36140	0.7957
	AT THE END OF THE YEAR					36140	0.7957
8	UDAY R SHAH (HUF)	22900	0.5042			22900	0.5042
	Market Purchase			24 Aug 2018	18000	40900	0.9004
	Market Sell			15 Mar 2019	-9000	31900	0.7023
	AT THE END OF THE YEAR					31900	0.7023
9	JAINAM UDAY SHAH	31500	0.6935			31500	0.6935
	Market Sell			18 May 2018	-25000	6500	0.1431
	Market Purchase			01 Jun 2018	15000	21500	0.4733
	Market Purchase			08 Jun 2018	10000	31500	0.6935
	Market Sell			15 Jun 2018	-3906	27594	0.6075
	Market Sell			22 Jun 2018	-5094	22500	0.4954
	Market Purchase			22 Mar 2019	9000	31500	0.6935
	AT THE END OF THE YEAR					31500	0.6935
10	RAJNEESH JHAWAR	45300	0.9973			45300	0.9973
	Market Sell			24 Aug 2018	-18473	26827	0.5906
	Market Sell			31 Aug 2018	-26827	0	0
	AT THE END OF THE YEAR					0	0

Notes :

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 4542176 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

v) **Shareholding of Directors and Key Managerial Personnel:**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Harsh Hemandra Badani	769793	16.9477	-	-	769793	16.9477
	Market Sell			01 Feb 2019	-36	769757	16.9469
	At The End Of The Year					771659	16.9888
2	Ashok Jivarajbhai Sheth	716975	15.7848			716975	15.7848
	Market Purchase			22 Jun 2018	400	717375	15.7936
	Market Purchase			30 Jun 2018	400	717775	15.8024
	Market Purchase			19 Oct 2018	5	717780	15.8026
	Market Purchase			26 Oct 2018	65	717845	15.804
	Market Purchase			02 Nov 2018	200	718045	15.8084
	Market Purchase			09 Nov 2018	200	718245	15.8128
	Market Purchase			16 Nov 2018	150	718395	15.8161
	Market Purchase			23 Nov 2018	50	718445	15.8172
	Market Purchase			30 Nov 2018	100	718545	15.8194
	Market Purchase			07 Dec 2018	150	718695	15.8227
	Market Purchase			14 Dec 2018	350	719045	15.8304
	Market Purchase			21 Dec 2018	80	719125	15.8322
	Market Purchase			04 Jan 2019	100	719225	15.8344
	Market Purchase			11 Jan 2019	50	719275	15.8355
	Market Purchase			25 Jan 2019	100	719375	15.8377
	Market Purchase			01 Feb 2019	50	719425	15.8388
	Market Purchase			08 Feb 2019	20	719445	15.8392
	Market Purchase			15 Feb 2019	25	719470	15.8398
	Market Purchase			22 Feb 2019	50	719520	15.8409
	Market Purchase			01 Mar 2019	25	719545	15.8414
	Market Purchase			08 Mar 2019	150	719695	15.8447
	Market Purchase			15 Mar 2019	100	719795	15.8469
	Market Purchase			22 Mar 2019	99	719894	15.8491
	Market Purchase			29 Mar 2019	50	719944	15.8502
	At The End Of The Year					719944	15.8502
3	Hemendra Jayant Badani	2100	0.0462			2100	0.0462

	At The End Of The Year					2100	0.0462
4	Shilpa Taneja	4700	0.1035			4700	0.1035
	At The End Of The Year					4700	0.1035
5	Amita shah	2900	0.0638			2900	0.0638
	Market Purchase			25 May 2018	2000	4900	0.1079
	At the End of the Year					4900	0.1079

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment – Not Applicable.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL –

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs.)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Ashok Sheth	Hemandra Badani	Harsh Badani	
1.	Gross salary	10,80,000/-	10,80,000/-	9,00,000/-	30,60,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,10,920/-	1,24,935/-	1,80,108/-	4,15,961/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as percentage of profit	-	-	-	-
	-others, specify	-	-	-	-
5.	Others, please specify (Incentive & Bonus)	90,000/-	90,000/-	75,000/-	2,55,000/-
	Total (A)	12,80,920/-	12,94,935/-	11,55,108/-	37,30,963/-
	Ceiling as per the Act	10% of Net Profit of the Company or as per Schedule V			

B. Remuneration to other directors:

(In Rs.)

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
	1. Independent Directors	Mr. Anil Kothari	Ms. Rashmi Desai	Ms. Padmaja Mukundan	
	<input type="checkbox"/> Fee for attending board / committee meetings	20,000	20,000	5,000	45,000
	<input type="checkbox"/> Commission				
	<input type="checkbox"/> Others, (Domestic Air Ticket)	9,607			9,607
	Total (1)	29,607	20,000	5,000	54,607
	2. Other Non-Executive Directors	Ms. Shipa Taneja	Ms. Amita Shah		
	<input type="checkbox"/> Fee for attending board/ committee meetings	15,000	15,000		30,000
	<input type="checkbox"/> Commission				
	<input type="checkbox"/> Others, (Domestic Air Ticket)	19,648			19,648
	Total (2)	34,648	15,000		49,648
	Total (B)=(1+2)	64,255	35,000	5,000	1,04,255
	Total Managerial Remuneration	-	-	-	
	Overall Ceiling as per the Act	11% of Net Profit of the Company or as per Schedule V			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD – **Not Applicable**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of Board of Directors
ASHOK J SHETH

Sd/-
Chairman and Managing Director
DIN: 00174006

Place: Vadodara
Date: 18/05/2019

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development:

The Company is part of the industry broadly known as Capital Goods. The Capital Goods Industry consists of various products in different segments like Textiles Machinery, Engineering Industries and Automobiles and ancillary manufacturing. The Company is part of Capital Goods Industry known as Machine Tools Industry catering to various segments as explained above. Being part of Capital Goods Industry, fortunes of company is directly linked to the growth and progress of the industry to which it caters. The other relevant factors having bearing on the industry are government policies, import export policies, and incentive for investment available to the industries.

The Centerless Grinders manufactured by the company are used in the industry like Automobile, Automobile Ancillaries, Textiles Machinery, Steel Industry, Bearing Industry etc.

2. Opportunities and Threats:

The growth opportunity for the machine tools industry is in direct proportion to the industrial growth of other industries like Textile Machinery Industry, Automobile Industry, Steel Industry, Bearing Industry, etc. to which the Machine Tool Industry is supplementary Industry. During the last few years, the phenomenal growth in Automobiles Industry has largely contributed to the growth of machine tools industry and opportunity lies in the further growth anticipated in the Automobiles Industry as several multinational car manufacturer shifts their production base to India. Another potential growth opportunity lies in out sourcing of Automobile ancillary products from India, which has tremendous growth potential in the coming years.

3. Segment wise Performance:

Presently, company is dealing in single segment activity namely Machine Tools.

4. Outlook:

The long-term outlook for the industry is optimistic based upon the product innovation and cutting age technology for sustaining growth. The export market especially to U.S.A., China, etc. will sustain and an additional avenue is opened for exports to Europe, South America, Asia & others. The domestic demand will also grow in the current year.

5. Internal Control Systems and Their Adequacy:

Considering the size and nature of the business, presently adequate internal control systems are in place. However, as and when company achieves further growth and higher level of operations, company will review the internal control system to match with changed requirement.

The company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against unauthorized use or disposition and that transaction are authorized and recorded correctly.

The company has constituted Audit Committee consisting of non-executive and independent Directors to look into various aspects of Accounts. The company has a clearly defined organization structure in place.

6. The Financial and Operational Performance:

The financial statement is in confirmation with the provisions of the Companies Act, 2013 and applicable accounting standard recommended by the Institute of Chartered Accountants of India. The financial statement reflects the genuine desire for the transparency and best judgment for the estimates made on prudent and reasonable bases to correctly reflect the true and fair affairs of the company.

7. Human Resource Development:

The company believes that the main strength of any organization is its people. It is the people who build the system and create a climate to suit the growth and excellence in the company. The industrial relations, during the year were cordial.

8. Cautionary statement:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments and Industrial growth within India and the countries in which the Company conducts business and other incidental factors.

REPORT ON CORPORATE GOVERNANCE:

Company's Philosophy on Corporate Governance:

Solitaire Machine Tools Limited believes that good Corporate Governance is essential to achieve long-term corporate goals, enhance shareholders' value and attain highest level of transparency. The Company is committed to achieve the highest standard of Corporate Governance, accountability and equity in all facets of its operations and in all interaction with stakeholders. The Company believes that all its operations and actions must serve the underlined goal of enhancing customers' satisfaction and shareholders' value over a sustained period of time.

I. Board of Directors:

- A.** The Board of Directors comprises three Executive Directors (two are Executive Directors and Managing Directors and one of the three is Executive Director and Whole Time Director) and five non-executive directors.

During the year, Five Board Meetings were held on 19th May, 2018, 4th August, 2018, 27th October, 2018, 9th February, 2019 and 29th March, 2019.

- B.** The Composition of the Board of Directors for the year ended 31st March, 2019 their attendance at the board meeting during the year and at the last Annual General Meeting along with number of other directorships, committee chairmanship/ memberships are as follows:

S.No.	Name of Directors	Category of Director-ship	No. of Board Meetings Attended	Attendance at last AGM held on 9.07.2018	No. of other Director-ship	Committee Membership/ Chairmanship	
						Member	Chairman
1.	Mr. A. J. Sheth	Promoter, CMD and Executive	5	Yes	--	1	
2.	Mr. H. J. Badani	Promoter, MD and Executive	5	Yes	1	1	
3.	Ms. Shilpa Taneja	Promoter and Non - Executive	3	Yes	2	1	1
4.	Mr. Harsh Badani	Promoter, WTD and Executive	5	Yes	2		
5.	Dr. Amita S. Shah	Independent	3	Yes	--	1	

6.	Mr. A. J. Kothari	Independent	4	No	--	2	
7.	Ms. Rashmi S Desai	Independent	4	Yes	1	-	-
8.	Mrs. Padmaja K. Mukundan	Independent	1	No	--	-	2

Except sitting fees, no other remuneration is paid to Non-Executive Directors. Leave of absence is granted to the directors absent for meetings.

C. Appointment of Directors:

Mr. Ashok J Sheth, Managing Director and Ms. Shilpa Taneja, Director of the Company retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting.

D. Code of Conduct:

The Company has laid down a code of conduct for all Board Members and senior management personnel of the company. The code of conduct is available on the website of the company at www.smtgrinders.com

II. Audit Committee:

Terms of Reference:

The Audit Committee comprises of three Non-Executive Directors under the Chairmanship of Mrs. Padmaja Mukundan, the other members in the Committee being Mrs. Shilpa Taneja and Mr. Anil Kothari. All the members of the Audit Committee are financially literate.

During the year four Audit Committee Meetings were held on 18th May 2018, 02nd August, 2018, 26th October, 2018 and 8th February, 2019.

The attendance record of Audit Committee members is given below:

Name of the Directors	No. of Meetings	
	Held	Attended
1. Mrs. Padmaja Mukundan	4	4
2. Mr. Anil Kothari	4	4
3. Mrs. Shilpa Taneja	4	4

This Committee comprises of two independent Directors and one promoter.

The Audit Committee is responsible for:

- Overseeing the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To recommend the appointment of statutory auditors and fixation of their fees.
- Review of Accounting and financial policies and practices.
- Review of Internal Control Systems.

- e. Reviewing with the Management, the Quarterly and Annual Financial Statements before submission to the Board, to discuss their findings, suggestions and other related matters and to give recommendations on any such matter connected herewith which will be binding on the Board.
- f. To review the Company's financial and risk management policies, particularly relating to foreign exchange exposure.

III. Subsidiary Companies:

Shruchi Manufacturing Limited is wholly owned subsidiary of the Company.

IV. Other Disclosures:

A. Disclosure of Related Party Transactions:

All related party transactions have been entered into in the ordinary course of business and were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others were on an arm's length basis.

B. Disclosure of Accounting Treatment:

All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

C. Risk Management Framework:

The company has in place mechanisms to inform the Board Members about the Risk Assessment and Minimization procedures and periodical reviews to ensure that risk is controlled by the Executive Management through the means of a properly defined framework.

D. Proceeds from public issues, right issues, preferential issues, etc.:

No money has been raised from public issues, right issues, preferential issues, etc.

E. Nomination and Remuneration Committee:

During the financial year 2018-19, 2 (Two) meetings of Nomination and Remuneration Committee Meeting was held on 10th May, 2018 and 01st February, 2019.

The Nomination and Remuneration Committee comprises of three Non-Executive and Independent Directors under the Chairmanship of Ms. Padmaja Mukundan, the other members in the Committee being Dr. Amita Shah and Mr. Anil Kothari.

F. Remuneration paid / payable to Managing Director for the year ended 31st March, 2019.

Managing /Executive/Whole-time Director	Salary (Rs.)	Annual Exgratia (performance linked incentive)	Bonus (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Stock Option
Mr Ashok J Sheth	10,80,000		90,000	110920	-	-
Mr Hemendra Badani	10,80,000		90,000	124935	-	-
Harsh Badani	9,00,000		75,000	72108	1,08,000	

G. Stakeholders Relationship Committee:

The Company has reconstituted Stakeholders Relationship Committee on 31st January 2015 under the Chairmanship of Ms. Shilpa Taneja.

This Committee comprises of:

1. Ms. Shilpa Taneja
2. Mr. Ashok J Sheth
3. Mr. Hemandra Badani

Terms of Reference:

To look into all the complaints received from the shareholders regarding share transfers, non- receipt of Balance Sheet, dividend, etc.

Mr. N. M. B. Khan, Dy. General Manager – Finance and Corporate Affairs has been designated as Compliance Officer for the Financial Year ended 31st March 2019.

During the Financial Year ended 31st March, 2019, the committee met twice on 12th June 2018 and 16th February, 2019.

During the Financial Year ended 31st March, 2019, 3 complaints were received from members. As on 31st March, 2019 there were no complaints / queries and pending replies.

H. General Body Meetings:

Location and time for the last three Annual General Meetings:

Year	Location	Date	Time
2015 - 16	Gold Coins, 6, Arun Chambers, Next to A. C. Market, Tardeo Road, Mumbai 400 034	04.07.2016	10.00 a. m.
2016 - 17	Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai – 400 021	29.07.2017	10.00 a. m.
2017-18	Gold Coins, 6, Arun Chambers, Next to A. C. Market, Tardeo Road, Mumbai 400 034	09.07.2018	10.00 a.m.

I. Means of Communication:

Company is publishing quarterly un-audited financial results and notice advertisements in The Free Press Journal in English and Nav Shakti in Marathi, regularly. It is being updated on the Company's website.

J. General Shareholders Information:

i. AGM Date, Time and Venue	Tuesday, the 30 th July, 2019 at 3.00 p. m. at Gold Coins, 6, Arun Chambers, Next to A. C. Market, Tardeo Road, Mumbai 400 034
ii. Financial Calendar 2019-20	Probable Dates:
First quarterly results	Before end of July, 2019
Audited Yearly Results	Before mid of May, 2020

iii. Book Closure Date	Wednesday, 24 th July, 2019 to Tuesday, 30 th July, 2019 (both days inclusive)		
iv. Dividend payment date	Within 30 days of AGM, if approved by shareholders of the Company		
v. Listing on Stock Exchange.	The Stock Exchange, Mumbai and The Vadodara Stock Exchange		
vi. Stock Code:	522152		
vii. Dematerialization ISIN No.	INE410A01013		
viii. Market Price Data High/ Low during each month of the Financial Year 2018-19 at BSE.	Months	High (Rs.)	Low (Rs.)
	April, 2018	94.75	66.00
	May, 2018	93.00	59.20
	June, 2018	66.25	50.15
	July, 2018	61.40	46.15
	Aug, 2018	57.95	39.50
	Sept, 2018	47.35	38.20
	Oct, 2018	45.90	35.00
	Nov, 2018	51.75	40.40
	Dec, 2018	54.40	40.15
	Jan, 2019	52.60	40.25
	Feb, 2019	46.95	29.00
	March, 2019	42.90	31.25

K. Share Transfer System:

Board of Directors has delegated the power to approve the share transfers to Registrar and Share transfer agent M/s. Link Intime India Private Limited having its office at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.

L. Distribution of Shareholding as on 31st March, 2019.

No. of equity shares held	No. of Shareholders	No. of Shares held	% of Shareholding
Upto 500	3727	680230	14.98
501 to 1000	337	282360	6.22
1001 to 2000	179	274316	6.04
2001 to 3000	65	161260	3.55
3001 to 4000	21	74494	1.64
4001 to 5000	22	105642	2.33
5001 to 10000	34	246881	5.44
More than 10000	31	2716993	59.82
Total	4416	4542176	100.00

M. Shareholding Pattern as on 31st March, 2019

Category	No. of Share held	% of Share holding
Promoters	1980460	43.60
Banks, Financial Institutions, Insurance Companies, Mutual Funds	0	0.00
Foreign Financial Institutions	0	0.00
Private /Other Corporate Bodies	57064	1.26
Indian Public	2264927	49.86
N. R. I.	26972	0.59
G. D. R. / A. D. R.	0	0.00
Others	161630	3.56
Total	4542176	100.00

N. Other Information

Dematerialization of shareholding and equity	Nearly 89.08% of total equity share capital (4046036) Shares are held in dematerialized form with NSDL and CDSL as on 31 st March, 2019.
Registrars and Share Transfer Agents <u>For Dematerialization Shares</u> <u>For Physical Shares:</u> In House arrangement.	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 Solitaire Machine Tools Ltd Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034
Plant Locations	1. Solitaire Machine Tools Limited, 292, Dharamsinh Desai Marg, Chhani Road, Vadodara – 390 002 2. Solitaire Machine Tools Limited, A 24/ 25, Krishan Industrial Estate, Gorwa, Vadodara – 390 016
Address for correspondence	Solitaire Machine Tools Limited Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034

Sd/-
Ashok J Sheth
Managing Director
DIN: 00174006

Sd/-
Hemendra J Badani
Managing Director
DIN: 00143330

Sd/-
Barkha Arora
Company Secretary & Compliance Officer

Date: 18/05/2019
Place: Vadodara

V. CEO/ CFO Certificate:

To the Board of Directors of Solitaire Machine Tools Limited,

We, Ashok J Sheth, Managing Director and Hemendra Badani, Chief Financial Officer (CFO) of Solitaire Machine Tools Limited, to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed the Balance sheet as at 31st March, 2019 and Profit & Loss Account for the year ended as on that date along with all its schedules, notes to the accounts and also the Cash Flow statements for the year ended 31st March, 2019 and based on our knowledge and information, confirms that:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that may be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. Based on our knowledge and information, there are no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- C. We along with Company's other certifying officers, accept responsibility for establishing and maintaining internal controls and that we have:
- i) evaluated the effectiveness of internal control system of the company, and
 - ii) disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operations of internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- D. We, along with Company's other certifying officers, have indicated to the Auditors and the Audit Committee:
- i) significant changes in the internal control during the year,
 - ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
 - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Ashok J Sheth
Managing Director
DIN: 00174006

Sd/-
Hemendra J Badani
Managing Director
DIN: 00143330

Date: 18/05/2019
Place: Vadodara

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,

M/s Solitaire Machine Tools Limited,

Mumbai.

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to further strengthen corporate governance practice in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no noncompliance thereof during the year ended 31st March, 2019.

Date: 18/05/2019

Place: Vadodara

Sd/-

Ashok J Sheth

Chairman & Managing Director

DIN: 00174006

INDEPENDENT AUDITOR'S REPORT

To the Members of **SOLITAIRE MACHINE TOOLS LIMITED**

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **SOLITAIRE MACHINE TOOLS LIMITED** ("the **Company**") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "the standalone financial statements"]

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IndAS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters;

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matters	Auditors' Response
1	<p>Valuation of inventories We refer to financial statements' accounting principles on inventories Note No. 2(h) and related disclosure in the note No. 7</p> <p>At the balance sheet date, the value of inventory amounted to Rs. 639.32 lacs representing 48 % of total current assets and 45 % of total equity. Inventories were considered as a key audit matter due to the size of the balance and because inventory valuation involves management</p>	<p>To address the risk for material error on inventories, our audit procedures included amongst other:</p> <ul style="list-style-type: none">assessing the compliance of company's accounting policies over inventory with applicable accounting standards.

	<p>judgment. According to the financial statements' accounting principles inventories are measured at the lower of cost or net realizable value. The company has specific procedures for identifying risk for obsolescence and measuring inventories at the lower of cost or net realizable value.</p>	<ul style="list-style-type: none"> • assessing the inventory valuation processes and practices. We tested the effectiveness of the key controls. • assessing the analyses and assessment made by management with respect to slow moving and obsolete stock. <p>We assessed the adequacy of the company's disclosures related to inventories.</p>
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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the *Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information*, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Ind AS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"
 - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 38 to the Ind AS financial statements;
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) The company was not required to transfer any amount to the Investor Education and Protection Fund during the year and accordingly, the question of delay does not arise.

For Ajay Shobha & Co.
Chartered Accountants
Firm's Registration No. 317031E

Dated: The day of 18th May, 2019
Place: Vadodara

Sd/-
Ajay Gupta
Partner
Membership No.053071

Annexure A

Responsibilities for Audit of Financial Statement

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*For **Ajay Shobha & Co.***
Chartered Accountants
Firm's Registration No. 317031E

Sd/-
Ajay Gupta
Partner
Membership No.053071

Dated: The day of 18th May, 2019
Place: Vadodara

Annexure 'B' to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2019, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

(b) As per the information and explanations given to us physical verification of fixed assets has been carried out once during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its business.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management and there is no material discrepancies were noticed.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 & 186 of the act in respect of investments, guarantees & securities provided by it. Further the company has not granted any loans to those who are covered by the provisions of section 185 & 186 of the act.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of provisions of Sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. (a) According to the information and explanations given to us and the records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, Goods and service tax, customs duty, cess and other statutory dues wherever applicable.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, Goods and service tax, customs duty, cess and other statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the following dues of custom demands have not been deposited by the company on account of dispute:

Name of the Statute	Nature of the Dues	Amount (Net of Payment) Rs.	Period to which the amount relates	Forum where dispute is pending
Central Excise Act,1944	DGFT-penalty	2,300,000	1999-2000	Writ No. 1957 of 2000 before Delhi High Court
Income Tax Act,1961	Demand raised u/s 220(2)	344562	2007-2008	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act,1961	Demand raised u/s 220(2)	301300	2008-2009	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act,1961	Demand raised u/s 143(1a)	407674	2011-2012	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act,1961	Demand raised u/s 143(1a)	943150	2012-2013	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act,1961	Demand raised u/s 143(1a)	1105280	2013-2014	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act,1961	Demand raised u/s 143(1a)	708763	2014-2015	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act,1961	Demand raised u/s 143(1a)	3360	2014-2015	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act,1961	Demand raised u/s 220(2)	215	2016-2017	Rectification filed u/s 154 of Income Tax Act, 1961.

8. On the basis of our examination and according to the information and explanations given to us, the company has not defaulted in repayment of the dues to a bank with respect to its borrowings. The company has not borrowed any loans from Government, financial institutions. Further the company has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year.

- 10 Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11 Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12 In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order is not applicable to the Company.
- 13 In our opinion and according to the information and explanations given to us and on the basis of examination of books and records of the company carried out by us, all the transactions with the related parties are in compliance with provisions of section 177 and 188 of the Act, where applicable. The details of such transactions have been disclosed in the Ind AS financial statements as required by applicable Accounting Standards.
- 14 According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15 According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16 In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For Ajay Shobha & Co.
Chartered Accountants
Firm's Registration No. 317031E

Sd/-
Ajay Gupta
Partner
Membership No.053071

Dated: The day of 18th May, 2019
Place: Vadodara

ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOLITAIRE MACHINE TOOLS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Solitaire Machine Tools Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ajay Shobha& Co.
Chartered Accountants
Firm Registration No. 317031E

Ajay Gupta
Partner
Membership No. 053071

Place: Vadodara
Dated: 18-05-2019

SOLITAIRE MACHINE TOOLS LIMITED

Balance Sheet As At 31st March, 2019

(Rs.in Lacs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current assets			
Property, Plant and Equipment	3	593.02	647.21
Capital Work-in-Progress		-	19.57
Investments in subsidiaries	4	15.90	15.90
Financial Assets		-	-
Loans	5	15.52	7.17
Other Non-Current Assets	6	3.59	3.59
Total Non Current Assets		628.03	693.44
Current Assets			
Inventories	7	639.33	495.79
Financial Assets		-	-
Investments	8	226.00	100.91
Trade Receivables	9	228.99	271.52
Cash and Cash Equivalents	10	87.74	56.49
Bank Balances other than above	11	107.35	224.59
Other Financial Assets	12	13.02	13.18
Other Current Assets	13	27.79	16.94
Total Current Assets		1,330.21	1,179.43
TOTAL ASSETS		1,958.24	1,872.87
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	454.22	454.22
Other Equity		968.66	900.83
Total Equity		1,422.88	1,355.05
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	15	37.69	39.85
Non Current Provisions		-	-
Gratuity	16	15.02	13.37
Total Non-Current Liabilities		1,475.59	1,408.28
Current Liabilities			
Financial Liabilities		-	-
Borrowings	17	-	-
Trade Payables	18	179.23	212.61
Other Current Financial Liabilities	19	73.40	83.43
Other Current Liabilities	20	197.28	156.23
Provisions	21	4.98	4.42
Current Tax Liabilities (Net)	22	27.77	7.90
Total Current Liabilities		482.65	464.59
TOTAL EQUITY AND LIABILITIES		1,958.24	1,872.87

Significant Accounting Policies and Notes on Accounts

1 to 42

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
FIRM REGISTRATION NO. 317031E
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(ASHOK JIVRABHAI SHETH)
CHAIRMAN & MANAGING DIRECTOR
DIN NO.00174006

AJAY GUPTA
PARTNER
MEMBERSHIP NO. : 053071

(HEMANDRA JAYANTILAL BADANI)
VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330

PLACE : VADODARA

(BARKHA ARORA)

DATE : 18/05/2019

COMPANY SECRETARY & COMPLIANCE OFFICER

SOLITAIRE MACHINE TOOLS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2019

(Rs.in Lacs)

Particulars	Note No.	For Year Ended 31st March, 2019	For Year Ended 31st March, 2018
INCOME			
Revenue from Operations	23	1,559.64	1,652.56
Other Income	24	29.03	41.59
		-	-
TOTAL INCOME		1,588.67	1,694.15
EXPENSES			
Cost of Materials Consumed	25	901.88	785.56
Changes in Inventories of Finished	26	(222.83)	(28.85)
		-	-
Excise Duty		-	16.34
Employee Benefits Expense	27	304.11	280.76
Finance Costs	28	6.20	4.29
Depreciation and Amortization Expense	3	98.37	90.91
Other Expenses	29	293.00	296.68
Total Expenses		1,380.72	1,445.69
		-	-
PROFIT BEFORE TAX		207.95	248.46
Tax expense:		-	-
(1) Current Tax		73.00	82.00
(2) (Excess)/Short Provision of Tax relating to Earlier Years		7.32	-
(3) Deferred Tax		(2.16)	(24.51)
		78.16	57.49
		-	-
PROFIT FOR THE YEAR		129.79	190.97
Other Comprehensive Income (net of tax)		-	-
A (i) Items that will not be reclassified to profit or loss		(0.61)	(1.29)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.17	0.36
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME		(0.44)	(1.65)
		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		129.35	192.62
(Comprising Profit and Other Comprehensive Income for the year)			
EARNING PER EQUITY SHARE IN (RS) (Face value per share Rs 10 each)			
(1) Basic	37	2.86	4.20
(2) Diluted		2.86	4.20

Significant Accounting Policies and Notes on Accounts

1 to 42

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
FIRM REGISTRATION NO. 317031E
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

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(HEMANDRA JAYANTILAL BADANI)
VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330

PLACE : VADODARA
DATE : 18/05/2019

(BARKHA ARORA)
COMPANY SECRETARY & COMPLIANCE OFFICER

SOLITAIRE MACHINE TOOLS LIMITED		
Cash Flow for the year ended as on 31ST March, 2019		
(Rs.in Lacs)		
Particulars	Year Ended, 31st March, 2019	Year Ended, 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
<u>Net Profit as per Profit & Loss Account</u>	129.35	192.62
Adjustment for:		
Depreciation and Amortisation	98.37	90.91
Tax Provision for Taxation & Deferred Tax	77.99	57.13
Interest Income	(11.48)	(15.37)
Fair Value of investment through P&L	(0.09)	0.02
Interest Paid	0.87	3.14
Exceptional Items	-	-
Profit on sale of Current and Non Current Investments (Net)	-	(0.00)
<u>Operating Profit Before Working Capital Changes</u>	295.01	328.45
Adjustment for:	-	-
Trade payable and other liability	(0.16)	32.62
Trade Receivables	42.53	39.31
Inventories	(143.53)	(130.45)
Financial and other Assets	(19.03)	-
<u>Cash Generated From Operations</u>	174.81	269.92
Direct Taxes Paid (net of refunds)	(60.28)	(66.54)
	-	-
Net Cash From Operating Activities (A)	114.53	203.39
B. CASH FLOW FROM INVESTING ACTIVITIES		
	-	-
Purchase of Property, Plant and Equipments	(24.61)	(22.68)
Interest received	11.48	15.37
Capital WIP	-	(19.57)
Purchase of Current Investments	(125.00)	(100.94)
Sale of Investments	-	0.089
	-	-
Net Cash From Investing Activities (B)	(138.13)	(127.74)
C. CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
Repayment of Long Term Borrowings	-	-
Interest paid	(0.87)	(3.14)
Equity Dividends paid (including Dividend Distribution Tax)	(61.52)	(68.34)
	-	-

Net Cash From Financing Activities (C)	(62.39)	(71.48)
	-	-
(DECREASE) IN CASH	(85.99)	4.17
Closing Balance of Cash and Cash Equivalents	195.09	281.08
Opening Balance of Cash and Cash Equivalents	281.08	276.90
Notes:	-	-
1. Figures in bracket indicate cash outflow. have been reclassified to	-	-
	-	-
3. Cash and Cash equivalents comprises of:	-	-
	-	-
On hand	0.515	0.028
With Banks	-	-
In Current Accounts	87.22	56.46
In Deposit Accounts maturing within 3 months	-	-

Significant Accounting Policies and Notes on Accounts 1 to 42

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AJAY SHOBHA & CO.

FIRM REGISTRATION NO. 317031E

CHARTERED ACCOUNTANTS

AJAY GUPTA

PARTNER

MEMBERSHIP NO. : 053071

FOR AND ON BEHALF OF THE BOARD

(ASHOK JIVRABHAI SHETH)

CHAIRMAN & MANAGING DIRECTOR

DIN NO.00174006

(HEMANDRA JAYANTILAL BADANI)

VICE CHAIRMAN & MANAGING DIRECTOR

DIN NO.00143330

PLACE : VADODARA

DATE : 18/05/2019

(BARKHA ARORA)

COMPANY SECRETARY & COMPLIANCE
OFFICER

NOTES TO THE FINANCIAL STATEMENTS

1 Company Overview

SOLITAIRE MACHINE TOOLS LIMITED (the Company) is a Public Limited Company incorporated in India. The Company is engaged in the business of manufacturing and rebuilding Precision Centerless Grinders.

2 Significant Accounting Policies

(a) Statement of Compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 19/05/2018

(b) Basis of Preparation and Presentation:

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- ii) Employee's Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- ii) It is held primarily for the purpose of trading; or
- iii) It is expected to realise the asset within twelve months after the reporting period; or
- iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- i) It is expected to be settled in the normal operating cycle; or
- ii) It is held primarily for the purpose of trading; or
- iii) It is due to be settled within twelve months after the reporting period; or
- iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

(c) Property, Plant and Equipment (PPE):

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 - Property, Plant and Equipment.

(d) Expenditure during construction period:

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

(e) Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of

commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month of deduction/disposal.

(f) Intangible Assets and Amortisation:

- Internally generated Intangible Assets: (Research and Development expenditure)
Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.
- Intangible Assets acquired separately:
Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

(g) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Inventories:

Inventories are valued as follows:

- Raw materials, stores & spare parts, cutting tools and holding tools:
Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.
- Work-in-progress (WIP), finished goods, stock-in-trade and trial run inventories:
Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Cost of inventories is computed on FIFO basis.

(i) Borrowing Costs:

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(j) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(k) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

Sale of goods: Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and outgoing taxes .

Other Income:

- Dividend Income is accounted for when the right to receive the income is established.
- Interest income is recognized on time proportion basis taking into account the amount outstanding on effective interest rate.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

(l) Employee benefits:

Defined benefit plan

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plan

Employee's Family Pension

The Company has Defined Contribution Plan for Post Employment benefits in the form of family pension for eligible employees, which is administered by the Regional Provident Fund Commissioner. Company has no further obligation beyond its contributions.

Provident Fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered by the Company. If the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and having regard to the assets of the fund and the return on investments, the Company does not expect any deficiency as at the year end. If there is a deficiency as at any Balance Sheet date, then, the same will be recognized in the Statement of Profit or Loss / Other Comprehensive Income in the year in which it arises.

Short-term and other long-term employee benefits

Liabilities for wages, salaries and bonus (as per the payment of bonus Act, 1965) including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees and workmen render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

Compensated Absences

The Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(m) Income Tax:

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable

(n) **Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

(o) **Foreign Currency transactions:**

in preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings

(p) **Financial Instruments:**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(q) **Financial liabilities and equity instruments:**

■ **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

■ **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(r) **Cash and cash equivalents:**

Cash and cash equivalents in the Balance Sheet comprise cash at bank, Cheques and Cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

Critical accounting judgments and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(s) **Useful Lives of Property, Plant & Equipment:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(i) **Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(ii) **Defined benefit plans:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) **Impairment of Assets:**

The Company has used certain judgments and estimations to estimate future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

3 PROPERTY, PLANT AND EQUIPMENT (PPE)

(Rs.in Lacs)

Particulars	Land	Building	Plant and Machinery	Furniture and Fixtures	Office Premises	Office Equipments	Electrical Installations	Computer	Vehicles	Total
As at 31 March 2017	53.02	227.71	433.65	22.49	8.17	2.96	3.42	0.37	39.75	791.55
Additions	-	-	6.32	-	-	1.55	-	0.73	14.08	22.68
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	53.02	227.71	439.96	22.49	8.17	4.51	3.42	1.10	53.84	814.23
Additions	-	-	42.99	-	-	0.70	-	0.49	-	44.18
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	53.02	227.71	482.96	22.49	8.17	5.21	3.42	1.59	53.84	858.41
As at 31 March 2019	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation and Impairment	-	-	-	-	-	-	-	-	-	-
As at 31 March 2017	-	12.15	46.00	5.67	0.85	0.64	1.16	0.19	9.43	76.11
Depreciation charge for the year	-	12.23	59.39	4.38	0.85	1.55	1.02	0.33	11.17	90.91
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	-	24.37	105.39	10.05	1.71	2.19	2.18	0.52	20.60	167.02
Depreciation charge for the year	-	11.85	66.36	4.65	0.85	2.56	0.35	0.68	11.06	98.37
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	-	36.23	171.76	14.70	2.56	4.76	2.53	1.20	31.66	265.39
As at 31 March 2019	-	-	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	53.02	191.48	311.20	7.79	5.61	0.46	0.89	0.39	22.18	593.02
As at 31 March 2018	53.02	203.34	334.57	12.44	6.46	2.32	1.24	0.58	33.24	647.21
As at 31 March 2017	53.02	215.56	387.64	16.82	7.32	2.32	2.26	0.18	30.32	715.44

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. considered as the gross block carrying amount on that date.

4 NON-CURRENT INVESTMENTS

(Rs.in Lacs)

Investments in Equity Shares (fully paidup)	Number of Shares	Face Value Per Share	As at 31st March 2019	As at 31st March 2018
1) Unquoted Investments instruments of Subsidiaries,				
Shruchi Manufacturing Limited	15,900	100	15.90	15.90
			15.90	15.90

Aggregate amount of Unquoted Investments

15.90

15.90

5 NON-CURRENT LOANS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
a. (Unsecured, Considered Good)		
Loan to Subsidiary Company		
Loans & Advances to Employees	1.90	2.51
Security Deposits	13.62	4.66
b. Loans Receivables which have significant increase in Credit Risk		
c. Loans Receivables - credit impaired		
TOTAL	15.52	7.17

6 OTHER NON-CURRENT ASSETS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured, Considered Good)		
Advances to Gratuity Trust	0.05	0.05
Duty Recoverable under Protest	3.54	3.54
TOTAL	3.59	3.59

7 INVENTORIES

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
(Valued at lower of cost or NRV) percentage of work executed on		
Raw Materials - Components	177.06	260.42
Semi Finished Goods	425.74	166.73
Rebuilding in Process	1.89	2.11
Spares in Process	0.13	0.09
Cutting Tools	10.53	7.15
Holding Tools	1.48	0.80
Finished Grinders	22.50	58.50
TOTAL	639.33	495.79

Refer Note 2(h) for mode of valuation of Inventories

8 CURRENT INVESTMENTS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Investments in mutual funds		
Quoted		
Axis Liquid Fund - Growth (No. of Units - 30.365)	0.57	0.58
Axis Enhanced Arbitrage Fund (No. of Units : - 956791.947)	225.43	100.33
Investments in equity instruments:	-	-

TOTAL	226.00	100.91
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Aggregate amount of Quoted investments and market value 226 101

9 TRADE RECEIVABLES

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
a. (Unsecured, Considered Good)		
Trade receivables from related parties	8.30	
Receivables from other than related parties	220.70	271.52
b. Trade Receivables which have significant increase in Credit Risk		
c. Trade Receivables - credit impaired		
TOTAL	228.99	271.52

10 CASH AND CASH EQUIVALENTS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Cash and Cash equivalents		
Cash on Hand	0.51	0.03
Bank Balances		
In Current Accounts	87.22	56.46
TOTAL	87.74	56.49

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Fixed Deposit With Bank (Fixed Deposit With YES Bank of Rs. 734833/- is pledged against Bank Guarantee facilities)	107.35	224.59
TOTAL	107.35	224.59

Note: There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2019.

12 OTHER FINANCIAL ASSETS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured, Considered Good)		
Interest accrued on FDR	13.02	13.18
TOTAL	13.02	13.18

13 OTHER CURRENT ASSETS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured, Considered Good)		
Advances to Suppliers	10.26	8.75
Others		
Prepaid Expense	1.32	1.51
Advance Tax and Tax at Source (Net of Provisions)		
Statutory Receivables	16.21	6.68
TOTAL	27.79	16.94

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(A) EQUITY SHARE CAPITAL (Rs.in Lacs)

For the year ended 31st March, 2019		
Balance as at	Changes in equity	Balance as at
454.22	-	454.22

(Rs.in Lacs)

For the year ended 31st March, 2018		
Balance as at	Changes in equity	Balance as at
454.22	-	454.22

(B) OTHER EQUITY (Rs.in Lacs)

For the year ended 31st March, 2019				
Particulars	RESERVES & SURPLUS			TOTAL
	Capital Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2018	20.78	13.64	866.41	900.83
Profit for the Year	-		129.79	129.79
Remeasurement of the net defined benefit liability/asset, net of tax effect			- 0.44	- 0.44
Dividends Paid (including corporate dividend tax)			61.52	61.52
Transfer to General Reserves			-	-
Balance at 31st March 2019	20.78	13.64	934.24	968.66

(Rs.in Lacs)

For the year ended 31st March, 2018				
Particulars	RESERVES & SURPLUS			TOTAL
	Capital Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2017	20.78	13.64	742.13	776.55
Profit for the Year			190.97	190.97
Remeasurement of the net defined benefit liability/asset, net of tax effect			1.65	1.65
Dividends Paid (including corporate dividend tax)			68.34	68.34
Transfer to General Reserves				-
Balance at 31st March 2018	20.78	13.64	866.41	900.83

The accompanying notes are an integral part of these financial statements

This is the Other Equity Statement referred to in our report of even date.

Significant Accounting Policies and Notes on Acc: 1 to 42

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
FIRM REGISTRATION NO. 317031E
CHARTERED ACCOUNTANTS

AJAY GUPTA
PARTNER
MEMBERSHIP NO. : 053071

PLACE : VADODARA
DATE : 18/05/2019

FOR AND ON BEHALF OF THE BOARD

(ASHOK JIVRABHAI SHETH)
CHAIRMAN & MANAGING DIRECTOR
DIN NO.00174006

(HEMANDRA JAYANTILAL BADANI)
VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330

(BARKHA ARORA)
COMPANY SECRETARY & COMPLIANCE
OFFICER

14 SHARE CAPITAL

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised:		
55,00,000 Equity Shares of Rs. 10.00 each (As at 31.03.2017 - 55,00,000 Shares, As at 01.04.2016 - 55,00,000 Shares)	550.000	550.000
Issued, Subscribed and Fully Paid - Up:		
45,42,176 Equity Shares of Rs. 10 each (Refer Notes below) (As at 31.03.2017 - 45,42,176 Shares, As at 01.04.2016 - 45,42,176 Shares)	454.218	454.218

a) Reconciliation of the Number of Shares and amount outstanding:

(Rs.in Lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	454.218	454.218	454.218	454.218

b) The details of Shareholders holding more than 5% Shares:

(Rs.in Lacs)

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	%	No. of Shares	%	No. of Shares
Harsh H Badani	16.95	7.70	16.90	7.68
Ashok Jivarajbhai Sheth	15.85	7.20	15.78	7.17
Bharati Ashok Sheth	8.83	4.01	8.83	4.01

c) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

d) No bonus shares have been issued during five years immediately preceding 31st March, 2019.

e) Dividend Proposed, Declared and paid (Refer Note 33A)

f) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

15 DEFERRED TAX LIABILITIES (NET)

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
The balances is comprises of temporary differences attributable to: Property, Plant and Equipments		
Financial Assets at Fair value through Profit or Loss	37.69	39.85
Others		
Deferred Tax (Assets)/Liabilities	37.69	39.85

Movement in Deferred Tax Liabilities

(Rs.in Lacs)

Description	Property, Plant & Equipment	Financial Assets at FVPL	Others	Total
As on 31st March, 2017	64.72			64.72
Charged / (Credited)				
- To Profit and Loss	- 24.87			- 24.87
As on 31st March, 2018	39.85			39.85
Charged / (Credited)				
- To Profit and Loss	- 2.16			- 2.16
As on 31st March, 2019	37.69			37.69

16 NON CURRENT PROVISIONS

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions for Employee Benefits:		
Gratuity	15.02	13.37
TOTAL	15.02	13.37

17 BORROWINGS

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
From Yes Bank Ltd. (Baroda) Cash Credit	-	-
(The above loans are Secured against Immovable and movable properties of the Company including Plant & Machineries, stocks of all kinds, shares, Book debts and further by personal guarantee of a Directors)		
TOTAL	-	-

18 TRADE PAYABLE

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
A. total outstanding dues of micro enterprises and small enterprises	7.72	-
B. total outstanding dues of creditors other than micro enterprises and small enterprises	171.28	213
TOTAL	179	213

19 OTHER CURRENT FINANCIAL LIABILITIES

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on borrowings		
Unpaid Dividend Accounts *	23.71	22.75
Provision for Expenses	49.68	60.68
TOTAL	73.40	83.43

* There is no amount required to be credited to Investors Education and Protection Fund.

20 OTHER CURRENT LIABILITIES

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from Customers	194	150
Others Withholding and other Tax Payables	3.17	5.99
TOTAL	197	156

21 CURRENT PROVISIONS

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits - Gratuity	4.98	4.42
TOTAL	4.98	4.42

22 CURRENT TAX LIABILITIES (NET)

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Payable	27.77	7.90
TOTAL	27.77	7.90

23 REVENUE FROM OPERATIONS

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Sale of Products (Including Excise Duty)	1,439.72	1,277.52
Revenue from Sale of Service	116.64	372.99
Other Operating Revenue	-	-
Scrap Sales	3.28	2.05
TOTAL	1,559.64	1,652.56

24 OTHER INCOME

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Income (on Bank Deposits)	11.48	15.37
Profit on Sale of Investments	-	0.00095
Dividend	9.41	2.83
Foreign Exchange Fluctuation	1.73	9.18
Profit on Sale of Assets	1.06	3.70
Gain on Fair Valuation of Investments through Profit and Loss	0.09	0.02
Liabilities / Provisions no longer required written back	1.21	8.45
Miscellaneous Income	4.05	2.04
	-	-
TOTAL	29.03	41.59

25 COST OF MATERIALS CONSUMED

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Opening Stock of Raw Materials	260.42	161.29
Add: Purchases	818.51	884.68
	1,078.94	1,045.98
Less: Closing Stock of Raw Materials	177.06	260.42
TOTAL	901.88	785.56

26 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Opening Stock		
Finished Goods	58.50	65.81
Semi-Finished Goods	166.73	132.37
Rebuilding in Process	2.11	0.39
Spares in Process	0.09	-
	227.43	198.58
Less: Closing Stock	-	-
Finished Goods	22.50	58.50
Semi-Finished Goods	425.74	166.73
Rebuilding in Process	1.89	2.11
Spares in Process	0.13	0.09
	450.26	227.43
(Increase) / Decrease in Stocks	(223)	(29)

27 EMPLOYEE BENEFITS EXPENSE

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
-------------	--------------------------------	--------------------------------

Salaries and Wages	270.95	250.41
Contribution to Provident Fund and Other Funds	26.77	24.60
Staff welfare expenses	6.39	5.76
TOTAL	304.11	280.76

28 FINANCE COSTS

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Expense		
Interest to Bank	5.33	1.15
Other Borrowing Cost (Processing Fees)	0.87	3.14
TOTAL	6.20	4.29

29 OTHER EXPENSES

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Consumption of Stores and spares	59.77	44.90
Power and fuel	20.10	18.77
Labour Contract Charges	24.36	36.59
Repair to Building	2.01	14.30
Repairs to Machinery	4.90	3.35
Insurance	2.12	2.11
Rent, Rates and Taxes	8.15	7.13
Bank Charges	1.25	3.07
<u>Auditor's Remuneration:</u>		
Statutory Audit Fee	1.00	
Tax Audit Fee	1.00	
Labour Charges	28.03	31.07
Travelling Expenses	20.64	20.05
Postage and Courier	1.35	2.71
Printing and Stationery	4.57	3.72
Telephone & Mobile	1.15	1.46
Legal & Professional Charges	13.96	14.58
Vehicle Expenses	6.29	3.95
Annual General Meeting Expenses	0.56	0.37
Others Repairs	10.59	11.54
Security Charges	6.63	5.62
Advertisement	1.53	1.68
Export Expenses	1.03	1.65
Sundry Debit Balance W/off	-	13.71
Sales Expenses	20.56	4.31
Sales Commission	11.17	7.87
Packing Expenses	11.73	11.19
Registrar's Fees	1.77	1.63
Donation	-	-
Miscellaneous Expenses	15.10	17.49
Listing Fees	2.50	2.88
Research & Developement Exp	-	-
Exhibition Exp	-	-
Computer Expenses	2.27	2.46
Foreign Exchange Fluctuation	6.90	4.54
	-	-
TOTAL	293.00	296.68

30 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

The sources of risks which the company is exposed to and their management are given below:

Credit Risk:

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Risk	Exposure Arising From	Measurement	Management
Liquidity Risks	Borrowings and Other Liabilities and Liquid investments	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Foreign Exchange Risk	Committed commercial transaction Financial asset and Liabilities denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis

The Corporate Treasury team updates the Audit Committee on a quarterly basis to about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Company on periodical basis about the various risk to the business and status of various activities planned to mitigate the risk.

Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

Foreign Currency Risk:

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to imports and exports of goods .

The Company evaluates that it is not significantly exposed to the exchange rate exposure arising from foreign currency transactions.

(foreign currency in lakhs)

Outstanding unhedged foreign currency exposure as at	As at 31st March, 2019	As at 31st March, 2018
Trade receivables		
USD	0.88	-
EURO	-	-
GBP	-	-
Trade Payables		
USD	0.03	0.07

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost

The Company is not significantly exposed to the interest rate risk as there are no borrowings and other financial assets which are linked to the fluctuation to the interest rate risks.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financial arrangements:

The company does not have any borrowing facilities as on the Balance sheet dates.

Maturity patterns of other Financial Liabilities - As at March 31, 2019			(Rs.in Lacs)
	0-12 Months	beyond 12 months	Total
Trade Payable	179	-	179

Other Financial liability (Current and Non Current)	73	-	73
Total	253	-	253

Maturity patterns of other Financial Liabilities - As at March 31, 2018 (Rs.in Lacs)

	0-12 Months	beyond 12 months	Total
Trade Payable	213	-	213
Other Financial liability (Current and Non Current)	83	-	83
Total	296	-	296

Credit rate risk:

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counterparty.

Ageing of accounts receivables	As at March 31, 2019	As at March 31, 2018
Not due	-	-
0-3 months	187.99	156.82
3-6 months	2.20	-
6 months to 12 months	1.11	78.71
more than 12 months	37.69	35.98
Total	228.99	271.52

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

31(A) CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES (IND AS 107):

Particulars	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Financial Assets at amortised cost		
Trade Receivables	228.99	271.52
Loans	15.52	7.17
Cash and Cash Equivalents	87.74	56.49
Bank balances other than above	107.35	224.59
Other Financial Assets	13.02	13.18
Financial Assets at fair value through profit or loss		
Investments	226.00	100.91
Financial Assets at fair value through other comprehensive income		
	-	-
Total	678.61	673.86
Financial Liabilities at amortised cost		
Cash Credits/Working Capital Borrowing	-	-
Trade payables	179.23	212.61
Other financial liabilities	73.40	83.43
Total	252.62	296.05

31(B) FAIR VALUE MEASUREMENTS (IND AS 113)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	(Rs.in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Financial Assets at fair value through profit or loss		
Investments –Level 1	226.00	100.91

The management assessed that fair value of cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis or based on the contractual terms. The discount rates used is based on management estimates.

32 SEGMENT REPORTING (IND AS 108):

The Company is exclusively engaged in the business of manufacturing and selling Precision Centerless Grinders. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

33(A) DISTRIBUTION MADE AND PROPOSED (IND AS 1):

Particulars	(Rs.in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Cash Dividends on Equity Shares declared and paid:		
Final dividend for the year ended on 31st March, 2018: Rs. 1.1 per share (March 31, 2017: Rs. 1 per share)	49.96	56.78
Dividend Distribution Tax on final dividend	11.56	11.56
Total Dividend paid	61.52	68.34
Proposed Dividends on Equity Shares:		
Final dividend for the year ended on 31st March, 2019: Rs. 1.1 per share. (31st March, 2018: Rs. 1.1 per share)	49.96	49.96
DDT on proposed dividend	10.27	11.56
Total Dividend proposed	60.24	61.52

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including Dividend Distribution Tax thereon) as at 31st March 2018.

33(B) CAPITAL MANAGEMENT (IND AS 1):

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt Consistent with others in the industry.

34 INCOME TAXES (IND AS 12):

- Income Tax Reconciliation

Particulars	(Rs.in Lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before Tax	207.95	248.46
Enacted Tax Rates in India	27.82%	27.55%
Computed expected Tax Expense	57.85	68.45
Tax Effect of amounts which are not deductible in calculating taxable Income	14.15	13.55
Tax Effect of amounts which are deductible in calculating taxable Income	2.91	-
Income Tax Expense	69.08	82.00

35 DISCLOSURES IN ACCORDANCE WITH IND AS-19 ON "EMPLOYEE BENEFITS"

- Defined Contribution Plans - The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	(Rs.in Lacs)	
	2018-19	2017-18
Employer's Contribution to Provident Fund	15.83	14.24
Employer's Contribution to Employee's State Insurance	4.33	4.24
TOTAL	20.16	18.48

b) Defined Benefit Plans - Gratuity and Provident Fund

Gratuity:

Inherent Risk - The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

The Company operates a gratuity plan which is administered through Life Insurance Corporation and a trust which is administered through trustees. Every employee is entitled to a minimum benefit equivalent to 15 days salary last drawn for each completed year of service in line with Payment of Gratuity Act, 1972. However, certain employees are entitled to benefit higher than the benefit prescribed under Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier or death in service.

i) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

Particulars	(Rs.in Lacs)	
	2018-19	2017-18
Opening DBO	58.7988	51.9234
Current Service Cost	4.4186	4.1757
Interest on DBO	4.3021	3.5946
Past service cost	-	0.4299
Employees Contribution		
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	0.41	1.50
Actuarial loss/ (gain) arising on account of experience change	0.02	0.176
Benefits Paid	(0.77)	-
Closing DBO	67.18	58.80

ii) A reconciliation of the opening and closing balances of the fair value of plan assets:

Particulars	(Rs.in Lacs)	
	2018-19	2017-18
Opening Fair Value of Plan Assets	41.01	30.40
Interest on Plan Assets	3.13	2.20
Remeasurement due to:		
Actuarial loss/ (gain) arising on account of experience change	(0.18)	(0.03)
Employees Contribution	4.00	8.44
Benefits Paid	(0.77)	-
Closing Fair Value of Plan Assets	47.18	41.01

* Fair value of Plan Assets for gratuity represents the amount as confirmed by the Insurer Managed Funds.

iii) Amount recognised in Balance Sheet including a reconciliation of the present value of the defined benefit obligation in b(i) and the fair value of the plan assets in b (ii) to the assets and liabilities recognised in the balance sheet:

Particulars	(Rs.in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Present value of Defined Benefit Obligation	67.18	58.80
Fair value of Plan Assets	47.18	41.01
Net Liability recognised in the Balance Sheet	19.9996	17.79
Long Term Provisions	19.9996	17.79

iv) The total expense recognised in the Statement of Profit and Loss:

Particulars	(Rs.in Lacs)	
	2018-19	2017-18
Current Service Cost	4.42	4.18
Past Service Cost	-	0.43
Interest Cost on defined benefit liability / (assets)	1.18	1.39
Total	5.595	5.996

v) Amount recorded in other Comprehensive Income

Particulars	(Rs.in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Opening amount recognised in OCI outside P&L Account		
Remeasurement due to:		
Changes in financial assumptions	0.41	(1.50)
Experience Adjustments	0.02	0.18
Actual return on plan assets less interest on plan assets	0.18	0.03
Closing amount recognised in OCI outside profit and loss account	0.61	(1.29)

vi) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the plan assets:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Amount	Rate	Amount	% Rate
	(in Lacs)	%	(in Lacs)	%
Government of India Securities	0	0%	0	0%
Corporate Bonds	0	0%	0	0%
Special Deposit Scheme	0	0%	0	0%
Equity Shares of Listed Companies	0	0%	0	0%
Property	0	0%	0	0%
Insurer Managed Funds	100%	100%	100%	100%
Others	0	0%	0	0%
Total				

vii) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

viii) The Actual Return on Plan Assets is as follows:

Particulars	(Rs.in Lacs)	
	2018-19	2016-17
Actual Return on Plan Assets (Incl. remeasurement effect)	2.95	2.17

ix) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Particulars	2018-19	2017-18
	Rate %	Rate %
Discount Rate	7.45%	7.55%
Salary Escalation Rate	5%	5%
Attrition Rate		

xi) Expected Contribution to the Funds in the next year:

Particulars	(Rs.in Lacs)
	2018-19
Gratuity	4.98

xii) Sensitivity Analysis:

Particulars	(Rs.in Lacs)	
	2018-19	2017-18
	Rate %	Rate %
Impact of increase in 50 bps on discounting rate on DBO	65.16	57.01
Impact of decrease in 50 bps on discounting rate on DBO	69.32	60.69
Impact of increase in 50 bps on salary escalation rate on DBO	69.26	60.66
Impact of decrease in 50 bps on salary escalation rate on DBO	65.16	57.00

xiii) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

36 RELATED PARTY DISCLOSURES (IND AS 24):

Related Parties with whom there were transactions during the year:

Parties	Relationship
Shruchi Manufacturing Limited	Subsidiaries
Adventure Advertising Private Limited Metal Perforation Private Limited	Enterprises under significant influence of Key Management Personnel or their relatives
Mr. A.J. Sheth	Chairman & Managing Director
Mr. H.J. Badani	Vice Chairman & Managing Director
Mr. Harsh Badani	Whole Time Director

b) Disclosure of Transactions with Related Parties as required by Ind AS 24:

(Rs.in Lacs)

Sr. No.	Nature of Transaction	Subsidiaries	Enterprise	Key Management Personnel	Relatives	Total
1	Receiving of Services	-	5.84	-	-	5.84
		-	(1.23)	-	-	(1.23)
2	Managerial Remuneration & Perquisites	-	-	37.31	-	37.31
		-	-	(45.43)	-	(45.43)
3	Sales	-	30.22	-	-	30.22
		-	(5.83)	-	-	(5.83)
4	Loans Received Back	-	-	-	-	-
		-	-	-	-	-
5	Office Deposit Recd back	-	-	-	-	-
		-	-	-	-	-
6	Office Deposit Given	-	-	-	-	-
		-	-	-	-	-
	Outstanding balances as					
	At 31.03.2019 :					
1	Investments	15.90	-	-	-	15.90
		(15.90)	-	-	-	(15.90)
2	Security Deposit	-	-	-	-	-
		-	-	-	-	-
3	Other Liabilities	-	-	2.55	-	2.55
		-	-	(6.03)	-	(6.03)
4	Trade Receivable	-	8.30	-	-	8.30
		-	-	-	-	-
5	Trade Payable	-	1.22	-	-	1.22
		-	(0.066)	-	-	(0.066)

* Figures in Brackets are of previous year.

(Rs.in Lacs)

Sr. No.	Nature of Transaction	Name of the Related Party	Current Year	Previous Year
1	Receiving of Services			
	Enterprises under significant influence of Key Management Personnel or their relatives	Adventure Advertising Private Limited	5.84	1.22
		Metal Perforation Private Limited.	30.22	5.83
2	Managerial Remuneration			
	Key Management Personnel	A.J. Sheth	12.81	15.86
		H.J. Badani	12.95	16.10
		Harash Badani	11.55	13.47
3	Loans Received Back			
	Subsidiaries	Shruchi Manufacturing Limited	-	-
4	Office Deposit Recd back			
	Relatives	Jyoti P Sheth	-	-
	Outstanding balances as at 31.03.2019 :			
1	Investments			
	Subsidiaries	Shruchi Manufacturing Limited	15.90	15.90
2	Trade Receivable			
	Enterprise under significant influence of Key Management Personnel	Metal Perforation Private Limited.	8.30	-
3	Trade Payable			
	Enterprise under significant influence of Key Management Personnel	Adventure Advertising Private Limited	1.22	0.07
4	Other Liabilities			
	Key Management Personnel	A.J. Sheth	0.90	2.00
		H.J. Badani	0.90	1.77
		Harash Badani	0.75	2.26
			2.55	6.03

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

37 EARNINGS PER SHARE (EPS) (IND AS 33):

(Rs.in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Basic/Diluted EPS:		
(i) Net Profit attributable to Equity Shareholders	130	191
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	45	45
Basic/ Diluted EPS (Face Value ` 10 per share) (Per Share) (i)/(ii)	2.86	4.20

38 CONTINGENT LIABILITIES :**Claims against the Company not acknowledged as debt:**

a) Penalty Levied by DGFT of Rs.23 Lacs (Net of advance) (31st March, 2017 - Rs. 23 Lac, 1st April 2016 - Rs. 23 Lac/-) and contested in appeal, vide WP No.1957 of 2000 pending at Delhi High Court.

b) Bank Guarantees Rs. 47,92,000/- (31st March, 2018 - Rs. 1,32,10,000/-)

c) There is a dispute regarding demand raised by Excise and Custom Department (CEGAT) of Rs. 3,54,036/- (31st March, 2017 - Rs. 3,54,036/-, 1st April 2016 - Rs. 3,54,036/-) which is being contested on Order No. D/827/97 of Rs.3,54,036/- dt. 14.08.1997. Amount has been paid against thereof as advance under protest and reflected under Non-Current Assets.

d) Income Tax Demands of Rs. 38.14 lacs (Previous year Rs. 38.14Lacs)

39 AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX) AND EXPENSES:

(Rs.in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Auditors:		
Audit fees (including quarterly Limited Review)	1.00	1.00
Tax audit fees	1.00	1.00
TOTAL	2.00	2.00

40 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Amounts to Micro and Small Enterprises on the basis of information available with the Company regarding the status of suppliers are as follows:

	As at 31st March, 2019	As at 31st March, 2018
a. the principal amount due thereon remaining unpaid to any supplier at the end of each accounting year;	7.72	-
b. the interest amount due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
c. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
d. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
e. the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: These are the regular suppliers of the Company and so bulk payments are made to them almost every month. These delayed payments are made on mutually agreed payment terms between the suppliers and the company. The company has paid the pending amount of Rs. 443326 as on 18th April, 2019 and the one amount of Rs. 52424 on 23rd May, 2019. An amount of Rs. 276563 is still pending for non completion of work by the supplier.

41 MERGER BY ABSORPTION OF SHRUCHI MANUFACTURING COMPANY LTD. A WHOLLY OWNED SUBSIDIARY COMPANY

The Board of Directors at its meeting held on 31st day of March, 2018, had approved the Scheme of Merge by Absorption (the scheme) under section 230 & 232 of the Companies Act, 2013 inter alia providing for merger of the Shruchi Manufacturing Limited, the wholly owned subsidiary Company (Transferor Company) with the Company, which pending before National Company Law Tribunal, Mumbai Bench (the NCLT), appointed date being 1st day of April, 2017, and the petition for the same was filed on 04th Jan. 2019 with NCLT Bombay Bench and pending. Necessary accounting effect shall be given in the Financial Statements of the Company on final approval of the NCLT and of respective authorities.

42 Previous Year's figures have been regrouped / rearranged, wherever necessary.

Significant Accounting Policies and Notes on Accounts

1 to 42

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
FIRM REGISTRATION NO. 317031E
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(ASHOK JIVRABHAI SHETH)
CHAIRMAN & MANAGING DIRECTOR
DIN NO.00174006

AJAY GUPTA
PARTNER
MEMBERSHIP NO. : 053071

(HEMANDRA JAYANTILAL BADANI)
VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330

PLACE : VADODARA

(BARKHA ARORA)

DATE : 18/05/2019

COMPANY SECRETARY & COMPLIANCE OFFICER

**INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF SOLITAIRE MACHINE TOOLS LIMITED
Report on the Audit of the Consolidated Financial Statements**

Opinion

We have audited the accompanying consolidated financial statements of Solitaire Machine Tools Limited (“the Company”) and its subsidiaries (the Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matters	Auditors’ Response
1	Valuation of inventories We refer to financial statements' accounting principles on inventories Note No. 2(h) and related disclosure in the note No. 7	To address the risk for material error on inventories, our audit procedures included amongst other: <ul style="list-style-type: none"> • assessing the compliance of company's accounting policies over inventory with applicable accounting standards.

	<p>At the balance sheet date, the value of inventory amounted to Rs. 639.32 lacs representing 48 % of total current assets and 45 % of total equity. Inventories were considered as a key audit matter due to the size of the balance and because inventory valuation involves management judgment. According to the financial statements' accounting principles inventories are measured at the lower of cost or net realizable value. The company has specific procedures for identifying risk for obsolescence and measuring inventories at the lower of cost or net realizable value.</p>	<ul style="list-style-type: none"> • assessing the inventory valuation processes and practices. We tested the effectiveness of the key controls. • assessing the analyses and assessment made by management with respect to slow moving and obsolete stock. <p>We assessed the adequacy of the company's disclosures related to inventories.</p>
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Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error..

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the Auditors' responsibilities for the Audit of the consolidated financial statements is included in Annexure ' A '. This description forms part of our Auditors' Report.

OTHER MATTERS

We did not audit the financial statements of one subsidiary included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs. 33.36 lacs as at 31st March 2019 as well as total revenue of Rs. NIL for the year ended 31 March 2019. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated annual financial results, to the extent have been derived from such annual financial statements is based solely on the report of such other auditor. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1.As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiary incorporated in India and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” which is based on the auditor’s reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of subsidiary company, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any Long Term Contracts including derivative contracts. For which there was any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E

Ajay Gupta
Partner
Membership No. 053071

Place: Vadodara
Dated: 18/05/2019

Annexure "A"

Responsibilities for Audit of Consolidated Financial Statement

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E

Ajay Gupta
Partner
Membership No. 053071

Place: Vadodara
Dated: 18/05/2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SOLITAIRE MACHINE TOOLS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, We have audited the internal financial controls over financial reporting of *Solitaire Machine Tools Limited* (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of subsidiary company which is incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial controls over financial reporting in so far as it relates to subsidiary company which is incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E

Ajay Gupta
Partner
Membership No. 053071

Place: Vadodara
Dated: 18/05/2019

SOLITAIRE MACHINE TOOLS LIMITED
Consolidated Balance Sheet As At 31ST March, 2019

(Rs.in Lacs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current assets			
Property, Plant and Equipment	3	616.68	673.61
Capital Work-in-Progress			19.57
Other Intangible assets		2.47	2.47
Financial Assets			
Investments	4	0.098	0.090
Loans	5	15.52	7.17
Income tax assets (net)		0.84	0.84
Other Non-Current Assets	6	3.59	3.59
Total Non Current Assets		639.20	707.35
Current Assets			
Inventories	7	639.33	495.79
Financial Assets			
Investments	8	226.00	100.91
Trade Receivables	9	228.99	271.52
Cash and Cash Equivalents	10	96.51	70.57
Bank Balances other than above	11	107.35	224.59
Other Financial Assets	12	13.02	13.18
Other Current Assets	13	27.79	16.94
Total Current Assets		1,338.98	1,193.51
TOTAL ASSETS		1,978.18	1,900.85
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	454.22	454.22
Other Equity		966.97	907.22
Total Equity		1,421.19	1,361.44
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	15	40.08	42.43
Non Current Provisions			
Gratuity	16	15.02	13.37
Total Non-Current Liabilities		1,476.29	55.81
Current Liabilities			
Financial Liabilities			
Borrowings	17		
Trade Payables	18	179.45	231.51
Other Current Financial Liabilities	19	92.42	83.55
Other Current Liabilities	20	197.28	156.23
Provisions	21	4.98	4.42
Current Tax Liabilities (Net)	22	27.77	7.90
Total Current Liabilities		501.89	483.61
TOTAL EQUITY AND LIABILITIES		1,978.18	1,900.85
Significant Accounting Policies and Notes on Accounts	1 to 42		
AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AJAY SHOBHA & CO. FIRM REGISTRATION NO. 317031E CHARTERED ACCOUNTANTS	FOR AND ON BEHALF OF THE BOARD		
	(ASHOK JIVRABHAI SHETH) CHAIRMAN & MANAGING DIRECTOR DIN NO.00174006		
AJAY GUPTA PARTNER MEMBERSHIP NO. : 053071	(HEMANDRA JAYANTILAL BADANI) VICE CHAIRMAN & MANAGING DIRECTOR DIN NO.00143330		
PLACE : VADODARA DATE : 18/05/2019	(BARKHA ARORA) COMPANY SECRETARY & COMPLIANCE OFFICER		

SOLITAIRE MACHINE TOOLS LIMITED**Consolidated Statement of Profit and Loss for the year ended 31st March, 2019**

(Rs.in Lacs)

Particulars	Note No.	For Year Ended 31st March, 2019	For Year Ended 31st March, 2018
INCOME			
Revenue from Operations	23	1,559.64	1,652.56
Other Income	24	29.04	41.59
TOTAL INCOME		1,588.68	1,694.14
EXPENSES			
Cost of Materials Consumed	25	901.88	785.56
Changes in Inventories of Finished Goods, Stock-in -Trade and work-in-progress	26	(222.83)	(28.85)
Excise Duty		-	16.34
Employee Benefits Expense	27	309.06	283.01
Finance Costs	28	6.20	4.29
Depreciation and Amortization Expense	3	101.11	93.66
Other Expenses	29	293.58	297.11
Total Expenses		1,389.00	1,451.12
PROFIT BEFORE TAX		199.68	243.03
Tax expense:			
(1) Current Tax		73.00	82.00
(2) (Excess)/Short Provision of Tax relating to Earlier Years		7.32	-
(3) Deferred Tax		(2.36)	(24.75)
		77.96	57.25
PROFIT FOR THE YEAR		121.72	185.77
Other Comprehensive Income (net of tax)			
A (i) Items that will not be reclassified to profit or loss		(0.61)	1.290
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.171	0.356
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
TOTAL OTHER COMPREHENSIVE INCOME		(0.44)	1.65
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit and Other Comprehensive Income for the year)		121.28	187.42
Profit attributable to:			
- Owners		121.72	185.77
- Non controlling Interest			
Other Comprehensive income attributable to:			
- Owners		(0.44)	1.65
- Non controlling Interest			
Total comprehensive income attributable to:			
- Owners		121.28	187.42
- Non controlling Interest			-
EARNING PER EQUITY SHARE IN (RS) (Face value per share Rs 10 each)			
(1) Basic	37	2.68	4.09
(2) Diluted		2.68	4.08
Significant Accounting Policies and Notes on Accounts	1 to 42		
AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AJAY SHOBHA & CO. FIRM REGISTRATION NO. 317031E CHARTERED ACCOUNTANTS	FOR AND ON BEHALF OF THE BOARD		
	(ASHOK JIVRABHAI SHETH) CHAIRMAN & MANAGING DIRECTOR DIN NO.00174006		
AJAY GUPTA PARTNER MEMBERSHIP NO. : 053071	(HEMANDRA JAYANTILAL BADANI) VICE CHAIRMAN & MANAGING DIRECTOR DIN NO.00143330		
PLACE : VADODARA DATE : 18/05/2019	(BARKHA ARORA) COMPANY SECRETARY & COMPLIANCE OFFICER		

SOLITAIRE MACHINE TOOLS LIMITED
Consolidated Cash Flow for the year ended as on 31st March, 2019

(Rs.in Lacs)

Particulars	Year Ended, 31st March, 2019	Year Ended, 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
<u>Net Profit as per Profit & Loss Account</u>	121.28	187.11
Adjustment for:		
Depreciation and Amortisation	101.11	93.66
Dividend Received	-	(2.83)
Tax Provision for Taxation & Deferred Tax	77.79	57.19
Interest Income	(11.48)	(15.37)
Fair Value of investment through P&L	(0.09)	-
Interest Paid	0.87	4.29
Exceptional Items	-	-
Profit on sale of Current and Non Current Investments (Net)	-	(0.00)
<u>Operating Profit Before Working Capital Changes</u>	289.49	324.04
Adjustment for:		
Trade payable and other liability	0.06	32.66
Trade Receivables	23.50	39.31
Inventories	(143.53)	(130.45)
Financial and other Assets	-	-
<u>Cash Generated From Operations</u>	169.51	265.56
Direct Taxes Paid (net of refunds)	(60.29)	(70.58)
	-	-
Net Cash From Operating Activities (A)	109.22	194.99
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments	(24.61)	(22.68)
Dividend Received	-	2.83
Interest received	11.48	15.37
Capital WIP	-	(19.57)
Purchase of Current Investments	(125.00)	(100.94)
Sale of Investments	-	0.09
Net Cash From Investing Activities (B)	(138.13)	(124.91)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	-	-
Interest paid	(0.87)	(4.29)
Equity Dividends paid (including Dividend Distribution Tax)	(61.52)	(68.34)
Net Cash From Financing Activities (C)	(62.39)	(72.62)
EQUIVALENTS	(91.30)	(2.55)
Closing Balance of Cash and Cash Equivalents	203.86	295.16
Opening Balance of Cash and Cash Equivalents	295.16	297.70
Notes:		
1. Figures in bracket indicate cash outflow.		
2. Previous year comparatives have been reclassified to		
3. Cash and Cash equivalents comprises of:		
On hand	0.51	0.03
With Banks		
In Current Accounts	95.99	70.54
In Deposit Accounts maturing within 3 months		
Significant Accounting Polices and Notes on Accounts	1 to 42	
AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AJAY SHOBHA & CO. FIRM REGISTRATION NO. 317031E CHARTERED ACCOUNTANTS	FOR AND ON BEHALF OF THE BOARD (ASHOK JIVRABHAI SHETHI) CHAIRMAN & MANAGING DIRECTOR DIN NO.00174006	
AJAY GUPTA PARTNER MEMBERSHIP NO. : 053071	(HEMANDRA JAYANTILAL BADANI) VICE CHAIRMAN & MANAGING DIRECTOR DIN NO.00143330	
PLACE : VADODARA DATE : 18/05/2019	(BARKHA ARORA) COMPANY SECRETARY & COMPLIANCE OFFICER	

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(A) EQUITY SHARE CAPITAL (Rs.in Lacs)

For the year ended 31st March, 2019		
EQUITY SHARE CAPITAL	Changes in equity shares capital during the year ended	Balance as at 31st March, 2019
454.22	-	454.22

For the year ended 31st March, 2018		
Balance as at 1st April, 2017	Changes in equity shares capital	Balance as at 31st March, 2018
454.22	-	454.22

(B) OTHER EQUITY (Rs.in Lacs)

For the year ended 31st March, 2019				
Particulars	RESERVES & SURPLUS			TOTAL
	Capital Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2018	26.23	13.64	867.35	907.22
Profit for the Year	-	-	121.72	121.72
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	0.44	0.44
Dividends Paid (including corporate dividend tax)	-	-	61.52	61.52
Transfer to General Reserves	-	-	-	-
Balance at 31st March 2019	26.23	13.64	927.11	966.97

(Rs.in Lacs)

For the year ended 31st March, 2018				
Particulars	RESERVES & SURPLUS			TOTAL
	Capital Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2017	26.23	13.64	748.27	788.13
Profit for the Year	-	-	185.77	185.77
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	1.65	1.65
Dividends Paid (including corporate dividend tax)	-	-	68.34	68.34
Transfer to General Reserves	-	-	-	-
Balance at 31st March 2018	26.23	13.64	867.35	907.22

The accompanying notes are an integral part of these financial statements

This is the Other Equity Statement referred to in our report of even date. Significant Accounting Policies and Notes on Accounts	1 to 42
AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AJAY SHOBHA & CO. FIRM REGISTRATION NO. 317031E CHARTERED ACCOUNTANTS	FOR AND ON BEHALF OF THE BOARD (ASHOK JIVRABHAI SHETH) CHAIRMAN & MANAGING DIRECTOR DIN NO.00174006
AJAY GUPTA PARTNER MEMBERSHIP NO. : 053071	(HEMANDRA JAYANTILAL BADANI) VICE CHAIRMAN & MANAGING DIRECTOR DIN NO.00143330
PLACE : VADODARA DATE : 18/05/2019	(BARKHA ARORA) COMPANY SECRETARY & COMPLIANCE OFFICER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 Company Overview

SOLITAIRE MACHINE TOOLS LIMITED (the Company) is a Public Limited Company incorporated in India. The Company is engaged in the business of manufacturing and rebuilding Precision Centerless Grinders.

2 Significant Accounting Policies

(a) Statement of Compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 18/05/2019

(b) Basis of Preparation and Presentation:

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- ii) Employee's Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- ii) It is held primarily for the purpose of trading; or
- iii) It is expected to realise the asset within twelve months after the reporting period; or
- iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- i) It is expected to be settled in the normal operating cycle; or
- ii) It is held primarily for the purpose of trading; or
- iii) It is due to be settled within twelve months after the reporting period; or
- iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

(b) (ii) Principles of consolidation:

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(c) Property, Plant and Equipment (PPE):

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

(d) Expenditure during construction period:

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

(e) Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month of deduction/disposal.

(f) Intangible Assets and Amortisation:

- Internally generated Intangible Assets: (Research and Development expenditure)
Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.
- Intangible Assets acquired separately:
Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

(g) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Inventories:

Inventories are valued as follows:

- Raw materials, stores & spare parts, cutting tools and holding tools:
Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.
- Work-in-progress (WIP), finished goods, stock-in-trade and trial run inventories:
Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Cost of inventories is computed on FIFO basis.

(i) Borrowing Costs:

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(j) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(k) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

Sale of goods: Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and outgoing taxes .

Other Income:

- Dividend Income is accounted for when the right to receive the income is established.
- Interest income is recognized on time proportion basis taking into account the amount outstanding on effective interest rate.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

(l) Employee benefits:

Defined benefit plan

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plan

Employee's Family Pension

The Company has Defined Contribution Plan for Post Employment benefits in the form of family pension for eligible employees, which is administered by the Regional Provident Fund Commissioner. Company has no further obligation beyond its contributions.

Provident Fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered by the Company. If the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and having regard to the assets of the fund and the return on investments, the Company does not expect any deficiency as at the year end. If there is a deficiency as at any Balance Sheet date, then, the same will be recognized in the Statement of Profit or Loss / Other Comprehensive Income in the year in which it arises.

Short-term and other long-term employee benefits

Liabilities for wages, salaries and bonus (as per the payment of bonus Act, 1965) including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees and workmen render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

Compensated Absences

The Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(m) Income Tax:

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable

(n) Earnings Per Share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

(o) Foreign Currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings

(p) Financial Instruments:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(q) Financial liabilities and equity instruments:

■ **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

■ **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(r) Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank, Cheques and Cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

Critical accounting judgments and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(s) Useful Lives of Property, Plant & Equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(i) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(ii) Defined benefit plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Impairment of Assets:

The Company has used certain judgments and estimations to estimate future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

3 PROPERTY, PLANT AND EQUIPMENT (PPE)

(Rs.in Lacs)

Particulars	Land	Building	Plant and Machinery	Furniture and Fixtures	Office Premises	Office Equipments	Electrical Installations	Computer	Vehicles	Total
As at 31 March 2017	53.02	227.71	465.54	22.49	8.17	2.96	3.42	0.37	39.75	823.44
Additions	-	-	6.32	-	-	1.55	-	0.73	14.08	22.68
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	53.02	227.71	471.86	22.49	8.17	4.51	3.42	1.10	53.84	846.12
Additions	-	-	42.99	-	-	0.70	-	0.49	-	44.18
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	53.02	227.71	514.85	22.49	8.17	5.21	3.42	1.59	53.84	890.30
As at 31 March 2017	-	12.15	48.75	5.67	0.85	0.64	1.16	0.19	9.43	76.11
Depreciation charge for the year	-	12.23	62.13	4.38	0.85	1.55	1.02	0.33	11.17	93.66
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	-	24.37	110.88	10.05	1.71	2.19	2.18	0.52	20.60	172.51
Depreciation charge for the year	-	11.85	69.11	4.65	0.85	2.56	0.35	0.68	11.06	101.11
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	-	36.23	179.99	14.70	2.56	4.76	2.53	1.20	31.66	273.62
Net book value	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	53.02	191.48	334.86	7.79	5.61	0.46	0.89	0.39	22.18	616.68
As at 31 March 2018	53.02	203.34	360.97	12.44	6.46	2.32	1.24	0.58	33.24	673.61
As at 31 March 2017	53.02	215.56	416.79	16.82	7.32	2.32	2.26	0.18	30.32	747.33

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

3 (a) Intangible Assets

Particulars	Technical Know How	Goodwill	Total
Demed Cost			
As at 31 March 2017	-	2.47	2.47
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2017	-	2.47	2.47
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2018	-	2.47	2.47
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2019	-	2.47	2.47
Accumulated Depreciation and Impairment	-	-	-
As at 1 April 2017	-	-	-
Depreciation charge for the year	-	-	-
Disposals	-	-	-
As at 31 March 2018	-	-	-
Depreciation charge for the year	-	-	-
Disposals	-	-	-
As at 31 March 2019	-	-	-
Net book value	-	-	-
As at 31 March 2019	-	2.47	2.47
As at 31 March 2018	-	2.47	2.47
As at 31 March 2017	-	2.47	2.47

Note : Deduction under Technical Knowhow represents assets not considered in consolidation on cessation/dissolution of foreign subsidiary.

4 NON-CURRENT INVESTMENTS

(Rs.in Lacs)

Investments in Equity Shares (fully paidup)	Number of Shares	Face Value Per Share	As at 31st March 2019	As at 31st March 2018
1) Quoted Investments				
Investments in Equity instruments of Kirloskar Ferrous Ltd.	100	10	0.10	0.09
			0.10	0.09

Aggregate amount of Unquoted Investments

9,765 9,040

5 NON-CURRENT LOANS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
a. (Unsecured, Considered Good)		
Loan to Subsidiary Company	-	-
Loans & Advances to Employees	1.896	2.513
Security Deposits	13.622	4.656
Advance Income Tax (Net of Provision)	-	-
b. Loans Receivables which have significant increase in Credit Risk	-	-
c. Loans Receivables - credit impaired	-	-
TOTAL	15.518	7.169

6 OTHER NON-CURRENT ASSETS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured, Considered Good)		
Advances to Gratuity Trust	0.05	0.05
Duty Recoverable under Protest	3.54	3.54
TOTAL	3.59	3.59

7 INVENTORIES

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
(Valued at lower of cost or NRV)		
(Semi Finished Goods valued on percentage of work executed on contracted price)		
Raw Materials - Components	177.06	260.42
Semi Finished Goods	425.74	166.73
Rebuilding in Process	1.89	2.11
Spares in Process	0.13	0.09
Cutting Tools	10.53	7.15
Holding Tools	1.48	0.80
Finished Grinders	22.50	58.50
	-	-
TOTAL	639.33	495.79

Refer Note 2(h) for mode of valuation of Inventories

8 CURRENT INVESTMENTS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Investments in mutual funds		
Quoted		
Axis Liquid Fund - Growth (No. of Units - 30.365)	0.57	0.58
Axis Enhanced Arbitrage Fund (No. of Units : - 956791.947)	225.43	100.33
TOTAL	226.00	100.91

Aggregate amount of Quoted investments and market value

226 101

9 TRADE RECEIVABLES

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
a. (Unsecured, Considered Good)		
Trade receivables from related parties	8.30	-
Receivables from other than related parties	220.70	271.52
b. Trade Receivables which have significant increase in Credit Risk	-	-
c. Trade Receivables - credit impaired	-	-
TOTAL	228.99	271.52

10 CASH AND CASH EQUIVALENTS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Cash and Cash equivalents		
Cash on Hand	0.51	0.03
Bank Balances		
In Current Accounts	95.99	70.54
TOTAL	96.51	70.57

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Fixed Deposit With Bank	107.35	224.59
(Fixed Deposit With YES Bank of Rs. 734833/- is pledged against Bank Guarantee facilities)		
TOTAL	107.35	224.59

Note: There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2019.

12 OTHER FINANCIAL ASSETS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured, Considered Good)		
Interest accrued on FDR	13.02	13.18
TOTAL	13.02	13.18

13 OTHER CURRENT ASSETS

(Rs.in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured, Considered Good)		
Advances to Suppliers	10.26	8.75
Others		
Prepaid Expense	1.32	1.51
Advance Tax and Tax at Source (Net of Provisions)	-	-
Statutory Receivables	16.21	6.68
TOTAL	27.79	16.94

14 SHARE CAPITAL

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised:		
55,00,000 Equity Shares of Rs. 10.00 each (As at 31.03.2017 - 55,00,000 Shares, As at 01.04.2016 - 55,00,000 Shares)	550	550
Issued, Subscribed and Fully Paid - Up:		
45,42,176 Equity Shares of Rs. 10 each (Refer Notes below) (As at 31.03.2017 - 45,42,176 Shares, As at 01.04.2016 - 45,42,176 Shares)	454	454

a) Reconciliation of the Number of Shares and amount outstanding:

(Rs.in Lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	45.42	454.22	45.42	454.22

b) The details of Shareholders holding more than 5% Shares:

(Rs.in Lacs)

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	%	No. of Shares	%	No. of Shares
Harsh H Badani	16.95	7.70	16.90	7.68
Ashok Jivarajbhai Sheth	15.85	7.20	15.78	7.17
Bharati Ashok Sheth	8.83	4.01	8.83	4.01

c) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

d) No bonus shares have been issued during five years immediately preceding 31st March, 2019.

e) Dividend Proposed, Declared and paid (Refer Note 33A)

f) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

15 DEFERRED TAX LIABILITIES (NET)

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
The balances is comprises of temporary differences attributable to: Property, Plant and Equipments	40.08	42.43
Financial Assets at Fair value through Profit or Loss		
Others		
Deferred Tax (Assets) / Liabilities	40.08	42.43

Movement in Deferred Tax Liabilities

(Rs.in Lacs)

Description	Property, Plant & Equipment	Financial Assets at FVPL	Others	Total
As on 31st March, 2018	42.43			42.43
Charged / (Credited)				
- To Profit and Loss	(2.36)			(2.36)
As on 31st March, 2019	40.08			40.08

16 NON CURRENT PROVISIONS

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions for Employee Benefits:		
Gratuity	15.02	13.37
TOTAL	15.02	13.37

17 BORROWINGS

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
From Axis Bank Ltd. (Baroda)		
Cash Credit	-	-
(The above loans are Secured against Immovable and movable properties of the Company including Plant & Machineries, stocks of all kinds, shares, Book debts and further by personal guarantee of some Directors)		
TOTAL	-	-

18 TRADE PAYABLE

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
A. total outstanding dues of micro enterprises and small enterprises	7.72	-
B. total outstanding dues of creditors other than micro enterprises and small enterprises	171.73	231.51

TOTAL	179.45	231.51

19 OTHER CURRENT FINANCIAL LIABILITIES

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on borrowings		
Unpaid Dividend Accounts *	23.71	22.75
Provision for Expenses	49.80	60.80
Other Payables	18.90	18.90
TOTAL	92.42	83.55

* There is no amount required to be credited to Investors Education and Protection Fund.

20 OTHER CURRENT LIABILITIES

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from Customers	194.11	150.24
Others		
Withholding and other Tax Payables	3.17	5.99
Excise duty payable on Finished Goods	-	-
TOTAL	197.28	156.23

21 CURRENT PROVISIONS

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
	-	-
Provision for Employee Benefits - Gratuity	4.98	4.42
TOTAL	4.98	4.42

22 CURRENT TAX LIABILITIES (NET)

(Rs.in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Payable	27.77	7.90
TOTAL	27.77	7.90

23 REVENUE FROM OPERATIONS

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Sale of Products (Including Excise Duty)	1,439.72	1,277.52
Revenue from Sale of Service	116.64	372.99
Other Operating Revenue	-	-
Scrap Sales	3.28	2.05
TOTAL	1,559.64	1,652.56

24 OTHER INCOME

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Income (on Bank Deposits)	11.48	15.37
Profit on Sale of Investments	-	-
Dividend	9.41	2.83
Foreign Exchange Fluctuation	1.73	9.18
Profit on Sale of Assets	1.06	3.70
Gain on Fair Valuation of Investments through Profit and Loss	0.09	0.02
Liabilities / Provisions no longer required written back	1.21	8.45
Miscellaneous Income	4.05	2.04
TOTAL	29.04	41.59

25 COST OF MATERIALS CONSUMED

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Opening Stock of Raw Materials	260.42	161.29
Add: Purchases	818.51	884.68
	1,078.94	1,045.98
Less: Closing Stock of Raw Materials	177.06	260.42
TOTAL	901.88	785.56

26 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Opening Stock		
Finished Goods	58.50	65.81
Semi-Finished Goods	166.73	132.37
Rebuilding in Process	2.11	0.39
Spares in Process	0.088	-
	227.43	198.58
Less: Closing Stock		
Finished Goods	22.50	58.50
Semi-Finished Goods	425.74	166.73
Rebuilding in Process	1.89	2.11
Spares in Process	0.13	0.09
	450.26	227.43
(Increase) / Decrease in Stocks	(222.83)	(28.85)

27 EMPLOYEE BENEFITS EXPENSE

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Salaries and Wages	275.90	252.66
Contribution to Provident Fund and Other Funds	26.77	24.60
Staff welfare expenses	6.39	5.76
TOTAL	309.06	283.01

28 FINANCE COSTS

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Expense		
Interest to Bank	5.33	1.15
Other Borrowing Cost (Processing Fees)	0.87	3.14
TOTAL	6.20	4.29

29 OTHER EXPENSES

(Rs.in Lacs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Consumption of Stores and spares	59.77	44.90
Power and fuel	20.10	18.77
Labour Contract Charges	24.36	36.59
Repair to Building	2.01	14.30
Repairs to Machinery	4.90	3.35
Insurance	2.12	2.11
Rent, Rates and Taxes	8.15	7.13
Bank Charges	1.27	3.08
<u>Auditor's Remuneration:</u>		
Statutory Audit Fee	1.0	
Tax Audit Fee	1.0	
Labour Charges	28.03	31.07
Travelling Expenses	20.64	20.05
Postage and Courier	1.35	2.71
Printing and Stationery	4.58	3.72
Telephone & Mobile	1.15	1.46
Legal & Professional Charges	14.13	14.68
Vehicle Expenses	6.29	3.95
Annual General Meeting Expenses	0.56	0.37
Others Repairs	10.59	11.54
Security Charges	6.63	5.62
Advertisement	1.75	1.68
Export Expenses	1.03	1.65
Sundry Debit Balance W/off	-	13.71
Sales Expenses	20.56	4.31
Sales Commission	11.17	7.87
Packing Expenses	11.73	11.19
Registrar's Fees	1.77	1.63
Donation	-	-
Miscellaneous Expenses	15.14	17.70
Listing Fees	2.50	2.88
Research & Development Exp	-	-
Exhibition Exp	-	-
Computer Expenses	2.27	2.46
Foreign Exchange Fluctuation	6.90	4.54
	-	-
TOTAL	293.58	297.11

30 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

The sources of risks which the company is exposed to and their management are given below:

Credit Risk:

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Risk	Exposure Arising From	Measurement	Management
Liquidity Risks	Borrowings and Other Liabilities and Liquid investments	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Foreign Exchange Risk	Committed commercial transaction Financial asset and Liabilities denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis

The Corporate Treasury team updates the Audit Committee on a quarterly basis to about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Company on periodical basis about the various risk to the business and status of various activities planned to mitigate the risk.

Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

Foreign Currency Risk:

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to imports and exports of goods .

The Company evaluates that it is not significantly exposed to the exchange rate exposure arising from foreign currency transactions.

(Foreign Currency in Lacs)

Outstanding unhedged foreign currency exposure as at	As at 31st March, 2019	As at 31st March, 2018
Trade receivables		
USD	0.88	-
EURO	-	-
GBP	-	-
Trade Payables		
USD	0.03	0.07

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost

The Company is not significantly exposed to the interest rate risk as there are no borrowings and other financial assets which are linked to the fluctuation to the interest rate risks.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financial arrangements:

The company does not have any borrowing facilities as on the Balance sheet dates.

Maturity patterns of other Financial Liabilities - As at March 31, 2019 (Rs.in Lacs)

	0-12 Months	beyond 12 months	Total
Trade Payable	179.45	-	179.45
Other Financial liability (Current and Non Current)	92.42	-	92.42
Total	271.86	-	271.86

Maturity patterns of other Financial Liabilities - As at March 31, 2018 (Rs.in Lacs)

	0-12 Months	beyond 12 months	Total
Trade Payable	231.51	-	231.51
Other Financial liability (Current and Non Current)	83.55	-	83.55
Total	315.06	-	315.06

Credit rate risk:

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counterparty.

(Rs.in Lacs)		
Ageing of accounts receivables	As at March 31, 2019	As at March 31, 2018
Not due	-	-
0-3 months	187.99	156.82
3-6 months	2.20	-
6 months to 12 months	1.11	78.71
more than 12 months	37.69	35.98
Total	228.99	271.52

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

31(A) CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES (IND AS 107):

Particulars	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Financial Assets at amortised cost		
Trade Receivables	228.99	271.52
Loans	15.52	7.17
Cash and Cash Equivalents	96.51	70.57
Bank balances other than above	107.35	224.59
Other Financial Assets	13.02	13.18
Financial Assets at fair value through profit or loss		
Investments	226.00	101.00
Financial Assets at fair value through other comprehensive income	-	-
Total	687.38	688.03
Financial Liabilities at amortised cost		
Cash Credits/Working Capital Borrowing	-	-
Trade payables	179.44	231.51
Other financial liabilities	92.41	83.55
Total	271.86	315.06

31(B) FAIR VALUE MEASUREMENTS (IND AS 113)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	(Rs.in Lacs)	
	Fair Value	
	As at 31st March, 2019	As at 31st March, 2018
Financial Assets at fair value through profit or loss		
Investments –Level 1	226.00	101.00

The management assessed that fair value of cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- (a) The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
- (b) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.
- (c) The fair value of the remaining financial instruments is determined using discounted cash flow analysis or based on the contractual terms. The discount rates used is based on management estimates.

32 SEGMENT REPORTING (IND AS 108):

The Company is exclusively engaged in the business of manufacturing and selling Precision Centerless Grinders. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

33(A) DISTRIBUTION MADE AND PROPOSED (IND AS 1):

(Rs.in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash Dividends on Equity Shares declared and paid:		
Final dividend for the year ended on 31st March, 2018: Rs. 1.1 per share (March 31, 2017: Rs. 1 per share)	49.96	56.78
Dividend Distribution Tax on final dividend	11.56	11.56
Total Dividend paid	61.52	68.34
Proposed Dividends on Equity Shares:		
Final dividend for the year ended on 31st March, 2019: Rs. 1.10 per share. (31st March, 2018: Rs. 1.10 per share)	49.96	49.96
DDT on proposed dividend	10.27	10.17
Total Dividend proposed	60.24	60.14

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including Dividend Distribution Tax thereon) as at 31st March 2018.

33(B) CAPITAL MANAGEMENT (IND AS 1):

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt Consistent with others in the industry.

34 INCOME TAXES (IND AS 12):

(i) Income Tax Reconciliation

(Rs.in Lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before Tax	199.68	243.03
Enacted Tax Rates in India	27.82%	27.55%
Computed expected Tax Expense	55.55	66.95
Tax Effect of amounts which are not deductible in calculating taxable Income	16.44	15.05
Tax Effect of amounts which are deductible in calculating taxable Income	2.91	-
Income Tax Expense	69.08	82.00

35 DISCLOSURES IN ACCORDANCE WITH IND AS-19 ON "EMPLOYEE BENEFITS"

a) Defined Contribution Plans - The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(Rs.in Lacs)

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund	15.83	14.24
Employer's Contribution to Employee's State Insurance	4.33	4.24
TOTAL	20.16	18.48

b) Defined Benefit Plans - Gratuity and Provident Fund

Gratuity:

Inherent Risk - The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

The Company operates a gratuity plan which is administered through Life Insurance Corporation and a trust which is administered through trustees.

Every employee is entitled to a minimum benefit equivalent to 15 days salary last drawn for each completed year of service in line with Payment of Gratuity Act, 1972. However, certain employees are entitled to benefit higher than the benefit prescribed under Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier or death in service.

i) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

(Rs.in Lacs)

Particulars	2018-19	2017-18
Opening DBO	58.80	51.92
Current Service Cost	4.42	4.18
Interest on DBO	4.30	3.59
Past service cost	-	0.43
Employees Contribution		
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	0.41	(1.50)
Actuarial loss/ (gain) arising on account of experience change	0.02	0.18
Benefits Paid	(0.77)	-
Closing DBO	67.18	58.80

ii) A reconciliation of the opening and closing balances of the fair value of plan assets:

Particulars	(Rs.in Lacs)	
	2018-19	2017-18
Opening Fair Value of Plan Assets	41.01	30.40
Interest on Plan Assets	3.13	2.20
Remeasurement due to:	-	-
Actuarial loss/ (gain) arising on account of experience change	(0.18)	(0.03)
Employees Contribution	4.00	8.44
Benefits Paid	(0.77)	-
Closing Fair Value of Plan Assets	47.18	41.01

* Fair value of Plan Assets for gratuity represents the amount as confirmed by the Insurer Managed Funds.

iii) Amount recognised in Balance Sheet including a reconciliation of the present value of the defined benefit obligation in b(i) and the fair value of the plan assets in b (ii) to the assets and liabilities recognised in the balance sheet:

Particulars	(Rs.in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Present value of Defined Benefit Obligation	67.18	58.80
Fair value of Plan Assets	47.18	41.01
Net Liability recognised in the Balance Sheet	20.00	17.79
Long Term Provisions	20.00	17.79

iv) The total expense recognised in the Statement of Profit and Loss:

Particulars	(Rs.in Lacs)	
	2018-19	2017-18
Current Service Cost	4.42	4.18
Past Service Cost	-	0.43
Interest Cost on defined benefit liability / (assets)	1.18	1.39
Total	5.595	5.996

v) Amount recorded in other Comprehensive Income

Particulars	(Rs.in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Opening amount recognised in OCI outside P&L Account		
Remeasurement due to:		
Changes in financial assumptions	0.41	(1.50)
Experience Adjustments	0.02	0.18
Actual return on plan assets less interest on plan assets	0.18	0.03
Closing amount recognised in OCI outside profit and loss account	0.61	(1.29)

vi) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the plan assets:

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Amount	Rate		Amount	% Rate	
	(in Lacs)	%	%	(in Lacs)	%	%
Government of India Securities	0	0%	0%	0	0%	0%
Corporate Bonds	0	0%	0%	0	0%	0%
Special Deposit Scheme	0	0%	0%	0	0%	0%
Equity Shares of Listed Companies	0	0%	0%	0	0%	0%
Property	0	0%	0%	0	0%	0%
Insurer Managed Funds	100%	100%	100%	100%	100%	100%
Others	0	0%	0%	0	0%	0%
Total						

vii) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

viii) The Actual Return on Plan Assets is as follows:

Particulars	(Rs.in Lacs)	
	2018-19	2016-17
Actual Return on Plan Assets (Incl. remeasurement effect)	2.95	2.17

ix) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Particulars	2018-19	2017-18
	Rate %	Rate %
Discount Rate	7.45%	7.55%
Salary Escalation Rate	5%	5%
Attrition Rate		

xi) Expected Contribution to the Funds in the next year:

Particulars	(Rs.in Lacs)	
	2018-19	
Gratuity	4.98	

xii) Sensitivity Analysis:

Particulars	(Rs.in Lacs)	
	2018-19	2017-18
	Rate %	Rate %
Impact of increase in 50 bps on discounting rate on DBO	65.16	57.01
Impact of decrease in 50 bps on discounting rate on DBO	69.32	60.69
Impact of increase in 50 bps on salary escalation rate on DBO	69.26	60.66
Impact of decrease in 50 bps on salary escalation rate on DBO	65.16	57.00

xiii) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

36 RELATED PARTY DISCLOSURES (IND AS 24):

Related Parties with whom there were transactions during the year:

Parties	Relationship
Shruchi Manufacturing Limited	Subsidiaries
Adventure Advertising Private Limited Metal Perforation Private Limited	Enterprises under significant influence of Key Management Personnel or their relatives
Mr. A.J. Sheth	Chairman & Managing Director
Mr. H.J. Badani	Vice Chairman & Managing Director
Mr. Harsh Badani	Whole Time Director

b) Disclosure of Transactions with Related Parties as required by Ind AS 24:

(Rs.in Lacs)

Sr. No.	Nature of Transaction	Subsidiaries	Enterprise	Key Management Personnel	Relatives	Total
1	Receiving of Services	-	5.84 (1.23)	-	-	5.84 (1.23)
2	Managerial Remuneration & Perquisites	-	-	37.31 (45)	-	37.31 (45.43)
3	Sales	-	30.22 (5.83)	-	-	30.22 (5.83)
4	Loans Received Back	-	-	-	-	-
5	Office Deposit Recd back	-	-	-	-	-
6	Office Deposit Given	-	-	-	-	-
Outstanding balances as At 31.03.2019 :						
1	Investments	15.90 (15.90)	-	-	-	15.90 (15.90)
2	Security Deposit	-	-	-	-	-
3	Other Liabilities	-	-	2.55 (6.03)	-	2.55 (6.03)
4	Trade Receivable	-	8.30	-	-	8.30
5	Trade Payable	-	1.22 (0.07)	-	-	1.22 (0.07)

* Figures in Brackets are of previous year.

(Rs.in Lacs)

Sr. No.	Nature of Transaction	Name of the Related Party	Current Year	Previous Year
1	Receiving of Services			
	Enterprises under significant influence of Key Management Personnel or their relatives	Adventure Advertising Private Limited Metal Perforation Private Limited.	5.84 30.22	1.22 5.83
2	Managerial Remuneration			
	Key Management Personnel	A.J. Sheth H.J. Badani Harash Badani	12.81 12.95 11.55	15.86 16.10 13.47
3	Loans Received Back			
	Subsidiaries	Shruchi Manufacturing Limited	-	-
4	Office Deposit Recd back			
	Relatives	Jyoti P Sheth	-	-
Outstanding balances as at 31.03.2019 :				
1	Investments			
	Subsidiaries	Shruchi Manufacturing Limited	15.90	15.90
2	Trade Receivable			
	Enterprise under significant influence of Key Management Personnel	Metal Perforation Private Limited.	8.30	-
3	Trade Payable			
	Enterprise under significant influence of Key Management Personnel	Adventure Advertising Private Limited	1.22	0.07
4	Other Liabilities			
	Key Management Personnel	A.J. Sheth H.J. Badani Harash Badani	0.90 0.90 0.75	2.00 1.77 2.26
			2.55	6.03

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

37 EARNINGS PER SHARE (EPS) (IND AS 33):

Particulars	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Basic/Diluted EPS:		
(i) Net Profit attributable to Equity Shareholders	121.72	185.77
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	45.42	45.42
Basic/ Diluted EPS (Face Value ` 10 per share) (Per Share) (i)/(ii)	2.68	4.09

38 CONTINGENT LIABILITIES :**Claims against the Company not acknowledged as debt:**

a) Penalty Levied by DGFT of Rs.23 Lacs (Net of advance) (31st March, 2017 - Rs. 23 Lac, 1st April 2016 - Rs. 23 Lac/-) and contested in appeal, vide WP No.1957 of 2000 pending at Delhi High Court.

b) Bank Guarantees Rs. 47,92,000/- (31st March, 2018 - Rs. 1,32,10,000/-)

c) There is a dispute regarding demand raised by Excise and Custom Department (CEGAT) of Rs. 3,54,036/- (31st March, 2017 - Rs. 3,54,036/-, 1st April 2016 - Rs. 3,54,036/-) which is being contested on Order No. D/827/97 of Rs.3,54,036/- dt. 14.08.1997. Amount has been paid against thereof as advance under protest and reflected under Non-Current Assets.

d) Income Tax Demands of Rs. 38.14 lacs (Previous year Rs. 38.14 Lacs)

39 AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX) AND EXPENSES:

Particulars	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Statutory Auditors:		
Audit fees (including quarterly Limited Review)	1.00	1.00
Tax audit fees	1.00	1.00
TOTAL	2.00	2.00

40 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Amounts to Micro and Small Enterprises on the basis of information available with the Company regarding the status of suppliers are as follows:

	As at 31st March, 2019	As at 31st March, 2018
a. the principal amount due thereon remaining unpaid to any supplier at the end of each	7.72	-
b. the interest amount due thereon remaining unpaid to any supplier at the end of each accounting	-	-
c. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
d. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
e. the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: These are the regular suppliers of the Company and so bulk payments are made to them almost every month. These delayed payments are made on mutually agreed payment terms between the suppliers and the company. The company has paid the pending amount of Rs. 443326 as on 18th April, 2019 and the one amount of Rs. 52424 on 23rd May, 2019. An amount of Rs. 276563 is still pending for non completion of work by the supplier.

41 MERGER BY ABSORPTION OF SHRUCHI MANUFACTURING COMPANY LTD. A WHOLLY OWNED SUBSIDIARY COMPANY

The Board of Directors at its meeting held on 31st day of March, 2018, had approved the Scheme of Merge by Absorption (the scheme) under section 230 & 232 of the Companies Act, 2013 inter alia providing for merger of the Shruichi Manufacturing Limited, the wholly owned subsidiary Company (Transferor Company) with the Company, which pending before National Company Law Tribunal, Mumbai Bench (the NCLT), appointed date being 1st day of April, 2017, and the petition for the same was filed on 4th Jan, 2019 with NCLT Bombay Bench and pending . Necessary accounting effect shall be given in the Financial Statements of the Company on final approval of the NCLT and of respective authorities.

42 Previous Year's figures have been regrouped / rearranged, wherever necessary.

AS PER OUR REPORT OF EVEN DATE ^ FOR AND ON BEHALF OF THE BOARD FOR AJAY SHOBHA & CO. FIRM REGISTRATION NO. 317031E CHARTERED ACCOUNTANTS		(ASHOK JIVRABHAI SHETH) CHAIRMAN & MANAGING DIRECTOR DIN NO.00174006
AJAY GUPTA PARTNER MEMBERSHIP NO. : 053071		(HEMANDRA JAYANTILAL BADANI) VICE CHAIRMAN & MANAGING DIRECTOR DIN NO.00143330
PLACE : VADODARA DATE : 18/05/2019		(BARKHA ARORA) COMPANY SECRETARY & COMPLIANCE OFFICER



Solitaire Machine Tools Limited

(CIN : L28932MH1967PLC013747)

Registered Office: Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034

E-mail: sales@smtgrinders.com, Website: www.smtgrinders.com, Phone: 022-66602156

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Solitaire Machine Tools Limited will be held on Tuesday 30th July, 2019 at Hotel Gold Coins, 6, Arun Chambers, Next to A.C. Market, Tardeo Road, Mumbai, 400034 at 03.00 p. m. to transact the following business:

ORDINARY BUSINESS

Item No. 1-Adoption of Financial Statements

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2019 and Report of the Directors and Auditors thereon.

Item No. 2- Declaration of dividend

To approve and declare dividend recommended by the Board for the Financial Year ended March 31, 2019.

Item No. 3-Appointment of director in place of those retiring by rotation

To appoint Mr. Ashok J Sheth, who retires by rotation and being eligible offers himself for re-appointment as a director.

Item No. 4- Appointment of director in place of those retiring by rotation

To appoint Ms. Shilpa Taneja, who retires by rotation and being eligible offers herself for re-appointment as a director.

SPECIAL BUSINESS

Item No. 5- Regularisation of Additional (Non-Executive & Independent) Director Mr. Bharat V Shah as Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment for the time being in force), the consent of the members be and are hereby accorded for regularization of appointment of Mr. Bharat V Shah (DIN- 08392598) who was appointed by the Board of Directors on the recommendation of Nomination and Remuneration Committee as Additional (Non-Executive and Independent) Director of the Company in their meeting held on 20th April, 2019 and who holds office till the conclusion of this Annual General meeting and who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act; as the Independent Director of the Company for a period of five years w.e.f. 20th April, 2019 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

Item No. 6- Regularisation of Additional (Non-Executive & Independent) Director Mr. Nilam M Patel as Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment for the time being in force), the consent of the members be and are hereby accorded for regularization of appointment of Mr. Nilam M Patel (DIN- 00852577) who was appointed by the Board of Directors on the recommendation of Nomination and Remuneration Committee as Additional (Non-Executive and Independent) Director of the Company in their meeting held on 20th April, 2019 and who holds office till the conclusion of this Annual General meeting and who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act; as the Independent Director of the Company for a period of five years w.e.f. 20th April, 2019 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

Item No. 7- Regularisation of Additional (Non-Executive & Independent) Director Ms. Nishita G Rajput as Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment for the time being in force), the consent of the members be and are hereby accorded for regularization of appointment of Ms. Nishita G Rajput (DIN- 08392556) who was appointed by the Board of Directors on the recommendation of Nomination and Remuneration Committee as Additional (Non-Executive and Independent) Director of the Company in their meeting held on 20th April, 2019 and who holds office till the conclusion of this Annual General meeting and who has submitted a declaration that she meets the criteria of independence as provided under Section 149(6) of the Act; as the Independent Director of the Company for a period of five years w.e.f. 20th April, 2019 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

Item No. 8- Regularisation of Additional (Non-Executive & Independent) Director Ms. Kesha K Thakkar as Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment for the time being in force), the consent of the members be and are hereby accorded for regularization of appointment of Ms. Ms. Kesha K Thakkar (DIN- 08439863) who was appointed by the Board of Directors on the recommendation of Nomination and Remuneration Committee as Additional (Non-Executive and Independent) Director of the Company in their meeting held on 18th May, 2019 and who holds office till the conclusion of this Annual General meeting and who has submitted a declaration that she meets the criteria of independence as provided under Section 149(6) of the Act; as the Independent Director of the Company for a period of five years w.e.f. 18th May, 2019 and shall not be liable to retire by rotation

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

By the order of Board of Directors

For **SOLITARE MACHINE TOOLS LIMITED**

Sd/-

Barkha Arora
Company Secretary and Compliance Officer

Date-18/05/2019
Place- Vadodara

Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the Annual General Meeting (the “Meeting”) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Members are requested to inform immediately of any change in their address to the Company's Registered Office or M/s Link Intime India Private Limited, Mumbai, quoting their registered folio number. Shareholders holding shares in dematerialized form shall address their communication to their respective depository participant only.
4. In terms of Section 152 of the Act, Mr. Ashok J Sheth and Ms. Shilpa Taneja Directors, retire by rotation at the Meeting and being eligible, offer themselves for reappointment. Nomination and Remuneration Committee and the Board of Directors of the Company commend their respective re-appointments.
5. Mr. Ashok J Sheth and Ms. Shilpa Taneja are interested in the Ordinary resolutions set out at Item No. 3 and 4 respectively, of the Notice regarding their re-appointment. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 4 of the Notice.
6. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the Annual General Meeting held on 29th July, 2017.
7. All communication in respect to the shares be addressed to share transfer agent “Link Intime India Private Limited” at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.
8. The Register of Members and Share transfer Books will remain closed from Wednesday, 24th July, 2019 to Tuesday, 30th July, 2019 (both days inclusive).

9. Any queries regarding Accounts should be communicated in writing at the Registered office of the company at least seven days in advance before the date of Annual General meeting.
10. The Company's shares are listed at Mumbai and Vadodara Stock Exchanges.
11. Electronic copy of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. **SEBI has decided that securities of listed companies can be transferred only in dematerialized form from 01st April 2019. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form. Members can contact the Company or the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited, for assistance in this regard.**
13. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.
 - II. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
 - III. The voting period begins on July 27, 2019 at 10.00 am and ends on July 29, 2019 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 23, 2019 may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.

The instructions for e-voting are as under:

- i. Log-in to e-Voting website of Link Intime India Private Limited (LIPL) by visiting the e-voting system of LIPL at the following URL: <https://instavote.linkintime.co.in>.
- ii. Click on "Login" tab, available under 'Shareholders' section.
- iii. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- iv. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
- v. Your Password details are given below:
If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:
Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.)

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> • Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio number. <ul style="list-style-type: none"> • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above-mentioned details are not recorded with the depository participants or Company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv).

If the above-mentioned details are not recorded with the depository participants or Company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv). If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any Company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address; Password will be sent to the shareholder's registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the Company, you choose to vote.

vii. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

viii. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

ix. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

x. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

xi. You can also take the printout of the votes cast by you by clicking on "Print" option on the voting page.

xii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

xiii. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

xiv. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

xv. In case the shareholders have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to insta.vote@linkintime.co.in or Call us :- Tel : 022 - 49186000.

xvi. General Instructions:

a. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. July 23, 2019. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. July 23, 2019 only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.

b. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date of July 23, 2019, may obtain the login ID and password by sending a request at insta.vote@linkintime.co.in or calling on 022-49186000.

c. Mrs. Amruta Oke, Partner, Oke Thakkar & Associates, Practicing Company Secretaries (Membership No. ACS 22615) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

d. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.

e. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days from the conclusion of the e-voting period.

IV. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.smtgrinders.com and communicated to the BSE Limited and Vadodara Stock Exchange.

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.

As required by section 102 (1) of The Companies Act, 2013 the following statement sets out all material facts relating to the Special Business under item No. 6 to 8 mentioned in the accompanying Notice and should be taken as forming part of it.

Item No. 5

Mr. Bharat Vadilal Shah (DIN- 08392598) was appointed as an Additional (Non-Executive and Independent) Director of the Company by the Board on the recommendation of the Nomination and Remuneration Committee in their meeting held on 20th April, 2019. In accordance with the provisions of section 161 of the Companies Act, 2013 he will hold office till the conclusion of next Annual General Meeting. As per the recommendation of Nomination and Remuneration Committee, the Board is considering the regularization of appointment of Mr. Bharat Vadilal Shah (DIN- 08392598) from Additional (Non-Executive and Independent) Director to Independent Director of the Company for a period of five years w.e.f. 20th April, 2019.

Accordingly, in terms of the requirements of provisions of Companies Act, 2013 approval of members of the Company is required for regularization of Mr. Bharat V Shah as Independent Director.

Brief profile of Mr. Bharat V Shah is given below for the reference of the members.

Mr. Bharat V Shah has an experience of over 40 years as an Entrepreneur & innovator for manufacturing of electrical motors. He is an Electrical Engineer from IIT Mumbai and worked initially for Siemens India Ltd. He has been associated with the Defence Department of India in development of special purpose motors for first nuclear submarine built in India. He is now retired and offers consultancy to various organizations for improving electrical efficiency.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received a declaration from Mr. Bharat V Shah declaring that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfils the conditions for appointment as an Independent Director as specified in the Act.

None of the Directors / Key Managerial Personnel of the Company/ their relatives except Mr. Bharat V. Shah are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board places the above resolution before the Members for their approval as being the Ordinary Resolution.

Item No. 6

Mr. Nilam Madhubhai Patel (DIN- 00852577) was appointed as an Additional (Non-Executive and Independent) Director of the Company by the Board on the recommendation of the Nomination and Remuneration Committee in their meeting held on 20th April, 2019. In accordance with the provisions of section 161 of the Companies Act, 2013 he will hold office till the conclusion of next Annual General Meeting. As per the recommendation of Nomination and Remuneration Committee, the Board is considering the regularization of appointment of Mr. Nilam Madhubhai Patel (DIN- 00852577) from Additional (Non-Executive and Independent) Director to Independent Director of the Company for a period of five years w.e.f. 20th April, 2019.

Accordingly, in terms of the requirements of provisions of Companies Act, 2013 approval of members of the Company is required for regularization of Mr. Nilam M Patel as Independent Director.

Brief profile of Mr. Nilam M Patel is given below for the reference of the members.

He is an Engineer by qualification and Builder by profession with a rich experience of 40 years specializing mainly in Industrial Buildings. He has built number of Industrial buildings in and around Vadodara. He is also associated with the Architecture College, Vidyanagar in the capacity of Honorary Director for over 10 years and is working actively and voluntarily for the betterment and improvement of the College.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received a declaration from Mr. Nilam M Patel declaring that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfils the conditions for appointment as an Independent Director as specified in the Act.

None of the Directors / Key Managerial Personnel of the Company/ their relatives except Mr. Nilam M Patel are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board places the above resolution before the Members for their approval as being the Ordinary Resolution.

Item No. 7

Ms. Nishita Gulabsingh Rajput (DIN- 08392556) was appointed as an Additional (Non-Executive and Independent) Director of the Company by the Board on the recommendation of the Nomination and Remuneration Committee in their meeting held on 20th April, 2019. In accordance with the provisions of section 161 of the Companies Act, 2013 she will hold office till the conclusion of next Annual General Meeting. As per the recommendation of Nomination and Remuneration Committee, the Board is considering the regularization of appointment of Ms. Nishita Gulabsingh Rajput (DIN- 08392556) from Additional (Non-Executive and Independent) Director to Independent Director of the Company for a period of five years w.e.f. 20th April, 2019.

Accordingly, in terms of the requirements of provisions of Companies Act, 2013 approval of members of the Company is required for regularization of Ms. Nishita Rajput as Independent Director.

Brief profile of Ms. Nishita Rajput is given below for the reference of the members.

She is an active Social worker working profoundly for the betterment of poor children. With her commendable efforts she has succeeded to send over 10,000 children to the School providing them their Right to Education. Not only this she also helps almost 155 old age people who live alone and have no one in this world to take care of by providing them their meals daily.

She is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has also received a declaration from Ms. Nishita Rajput declaring that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, she fulfils the conditions for appointment as an Independent Director as specified in the Act.

ion of the Board, she fulfils the conditions for appointment as an Independent Director as specified in the Act.

None of the Directors / Key Managerial Personnel of the Company/ their relatives except Ms. Nishita Rajput are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board places the above resolution before the Members for their approval as being the Ordinary Resolution.

Item No. 8

Ms. Kesha Kirit Thakkar (DIN- 08439863) was appointed as an Additional (Non-Executive and Independent) Director of the Company by the Board on the recommendation of the Nomination and Remuneration Committee in their meeting held on 18th May, 2019. In accordance with the provisions of section 161 of the Companies Act, 2013 she will hold office till the conclusion of next Annual General Meeting. As per the recommendation of Nomination and Remuneration Committee, the Board is considering the regularization of appointment of Ms. Kesha Kirit Thakkar (DIN- 08439863) from Additional (Non-Executive and Independent) Director to Independent Director of the Company for a period of five years w.e.f. 18th May, 2019.

Accordingly, in terms of the requirements of provisions of Companies Act, 2013 approval of members of the Company is required for regularization of Ms. Kesha Thakkar as Independent Director.

Brief profile of Ms. Kesha Thakkar is given below for the reference of the members.

She is a commerce graduate with an experience of over 7 years in Audit and Finance sector. Currently working with Niyogin Fintech limited in Mumbai as the Credit Manager. She has a great understanding in reading and analysing Financial Statements, Notes of Accounts, Audit Reports etc.

She is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has also received a declaration from Ms. Kesha Thakkar declaring that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, she fulfils the conditions for appointment as an Independent Director as specified in the Act.

None of the Directors / Key Managerial Personnel of the Company/ their relatives except Ms. Kesha Thakkar are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board places the above resolution before the Members for their approval as being the Ordinary Resolution.

By the order of Board of Directors
For **SOLITARE MACHINE TOOLS LIMITED**

Sd/-
Barkha Arora
Company Secretary and Compliance Officer

Date-18/05/2019
Place- Vadodara

Regd. Office:
Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034

To
Shareholders
Solitaire Machine Tools Limited
Shop 3-A, Floor- Bas, Plot 731, Part 3,
Arun Chamber, Pandit Madan Mohan Malviya Marg,
Tardeo, Mumbai - 400034.

Sub: Notice to members u/s 160 of the Companies Act, 2013

Notice is hereby given that the Company has received a notice under section 160 of the Companies Act, 2013 read with the Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 from Mr. Bharat V Shah (DIN 08392598) proposing his candidature for appointment as Independent Director on the Board of Directors of Solitaire Machine Tools Limited at the ensuing 27th Annual General Meeting of the Company scheduled to be held on Tuesday, 30th July, 2019.

The Company has received consent in the Form DIR 2, Declaration for non-disqualification in Form DIR 8 and declaration of Independent Director under Section 149 of the Companies Act, 2013.

The Board considers that, association of Mr. Bharat V Shah with the Company would immensely benefit the Company and it is desirable to avail his services as an Independent Director.

No Director or Key Managerial Personnel of the Company and their relatives is concerned or interested except Mr. Bharat V Shah, either financially or otherwise, in anyway, in the aforesaid resolution. The Board recommends the resolution set out in Item No. 05 as aforesaid for the approval of the members at the ensuing 27th Annual General Meeting of the Company.

For Solitaire Machine Tools Limited

Sd/-Ashok Sheth
Chairman & Managing Director
DIN: 00174006

Date-18.05.2019
Place- Vadodara

To
Shareholders
Solitaire Machine Tools Limited
Shop 3-A, Floor- Bas, Plot 731, Part 3,
Arun Chamber, Pandit Madan Mohan Malviya Marg,
Tardeo, Mumbai - 400034.

Sub: Notice to members u/s 160 of the Companies Act, 2013

Notice is hereby given that the Company has received a notice under section 160 of the Companies Act, 2013 read with the Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 from Mr. Nilam M Patel (DIN 00852577) proposing his candidature for appointment as Independent Director on the Board of Directors of Solitaire Machine Tools Limited at the ensuing 27th Annual General Meeting of the Company scheduled to be held on Tuesday, 30th July, 2019.

The Company has received consent in the Form DIR 2, Declaration for non-disqualification in Form DIR 8 and declaration of Independent Director under Section 149 of the Companies Act, 2013.

The Board considers that, association of Mr. Nilam M Patel with the Company would immensely benefit the Company and it is desirable to avail his services as an Independent Director.

No Director or Key Managerial Personnel of the Company and their relatives is concerned or interested except Mr. Nilam M Patel, either financially or otherwise, in anyway, in the aforesaid resolution. The Board recommends the resolution set out in Item No. 06 as aforesaid for the approval of the members at the ensuing 27th Annual General Meeting of the Company.

For Solitaire Machine Tools Limited

Sd/-Ashok Sheth
Chairman & Managing Director
DIN: 00174006

Date-18.05.2019
Place- Vadodara

To
Shareholders
Solitaire Machine Tools Limited
Shop 3-A, Floor- Bas, Plot 731, Part 3,
Arun Chamber, Pandit Madan Mohan Malviya Marg,
Tardeo, Mumbai - 400034.

Sub: Notice to members u/s 160 of the Companies Act, 2013

Notice is hereby given that the Company has received a notice under section 160 of the Companies Act, 2013 read with the Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 from Ms. Nishita G Rajput (DIN 08392556) proposing her candidature for appointment as Independent Director on the Board of Directors of Solitaire Machine Tools Limited at the ensuing 27th Annual General Meeting of the Company scheduled to be held on Tuesday, 30th July, 2019.

The Company has received consent in the Form DIR 2, Declaration for non- disqualification in Form DIR 8 and declaration of Independent Director under Section 149 of the Companies Act, 2013.

The Board considers that, association of Ms. Nishita G Rajput with the Company would immensely benefit the Company and it is desirable to avail her services as an Independent Director.

No Director or Key Managerial Personnel of the Company and their relatives is concerned or interested except Ms. Nishita G Rajput, either financially or otherwise, in anyway, in the aforesaid resolution. The Board recommends the resolution set out in Item No. 07 as aforesaid for the approval of the members at the ensuing 27th Annual General Meeting of the Company.

For Solitaire Machine Tools Limited

Sd/-Ashok Sheth
Chairman & Managing Director
DIN: 00174006

Date-18.05.2019
Place- Vadodara

To
Shareholders
Solitaire Machine Tools Limited
Shop 3-A, Floor- Bas, Plot 731, Part 3,
Arun Chamber, Pandit Madan Mohan Malviya Marg,
Tardeo, Mumbai - 400034.

Sub: Notice to members u/s 160 of the Companies Act, 2013

Notice is hereby given that the Company has received a notice under section 160 of the Companies Act, 2013 read with the Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 from Ms. Kesha K Thakkar (DIN 08439863) proposing her candidature for appointment as Independent Director on the Board of Directors of Solitaire Machine Tools Limited at the ensuing 27th Annual General Meeting of the Company scheduled to be held on Tuesday, 30th July, 2019.

The Company has received consent in the Form DIR 2, Declaration for non- disqualification in Form DIR 8 and declaration of Independent Director under Section 149 of the Companies Act, 2013.

The Board considers that, association of Ms. Kesha K Thakkar with the Company would immensely benefit the Company and it is desirable to avail her services as an Independent Director.

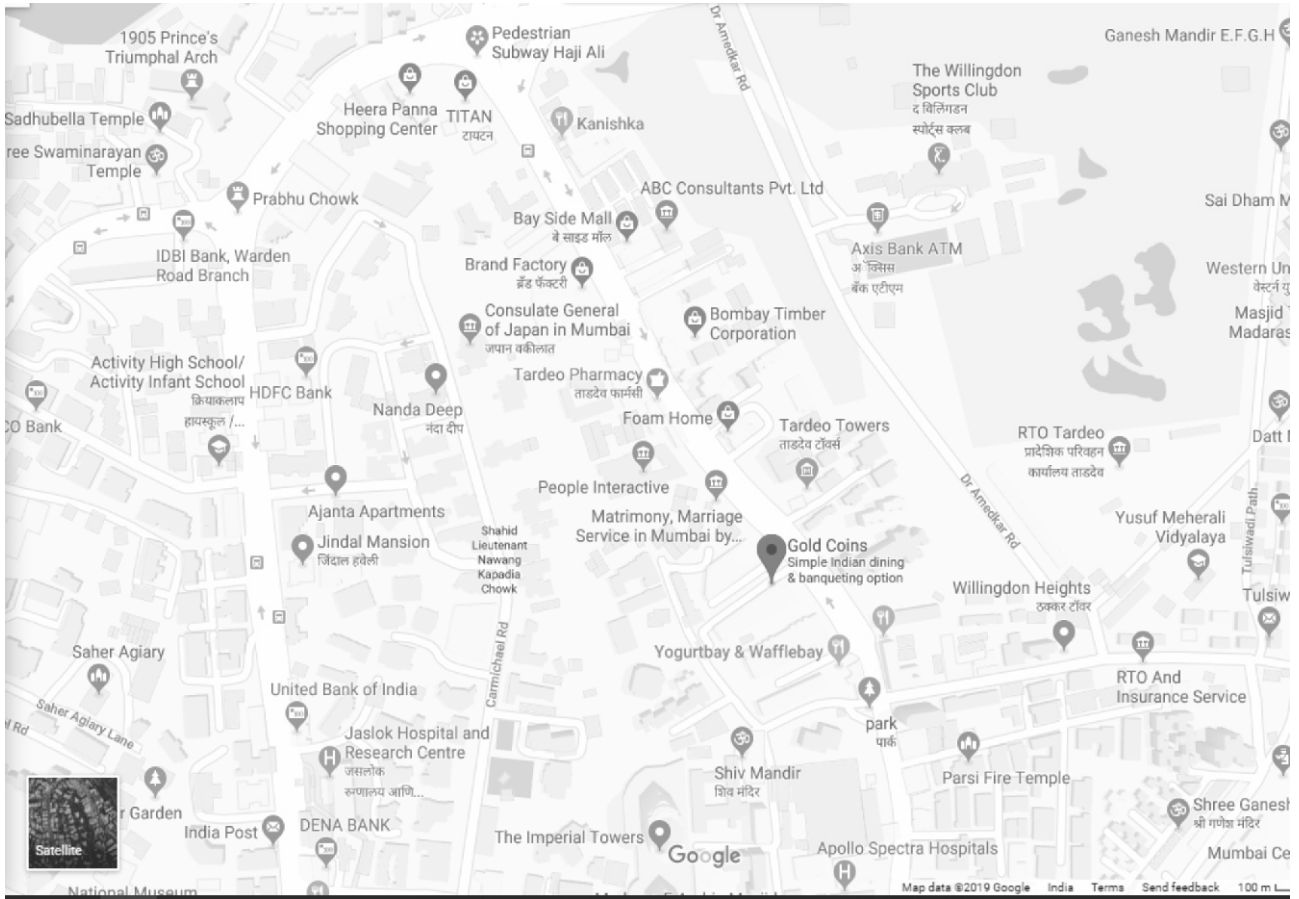
No Director or Key Managerial Personnel of the Company and their relatives is concerned or interested except Ms. Kesha K Thakkar, either financially or otherwise, in anyway, in the aforesaid resolution. The Board recommends the resolution set out in Item No. 08 as aforesaid for the approval of the members at the ensuing 27th Annual General Meeting of the Company.

For Solitaire Machine Tools Limited

Sd/-Ashok Sheth
Chairman & Managing Director
DIN: 00174006

Date-18.05.2019
Place- Vadodara

Route map to the venue of the AGM



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Solitaire Machine Tools Limited

(CIN: L28932MH1967PLC013747)

Regd. Office: Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034

Email: sales@smtgrinders.com, Website: http://www.smtgrinders.com, Phone: 022- 66602156.

ATTENDANCE SLIP

27th ANNUAL GENERAL MEETING ON 30th July, 2019

Registered Folio/ DP ID & Client ID	
Name and address of the shareholder(s)	
Joint Holder 1 Joint Holder 2	

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company at Gold Coins, 6, Arun Chambers, Next to A.C. Market, Tardeo Road, Mumbai, 400034 at Tuesday, 30th July, 2019 at 03:00 p.m.

Member's Folio/DP ID/Client ID No.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note:

- Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

ELECTRONIC VOTING PARTICULARS

Event	User ID	*Default PAN/ Sequence No.
190088		

*Only Members who have not updated their PAN with the Company / Depository Participant shall use the default PAN in the PAN Field

Note: Please read the instructions printed under the Note No.13 to the Notice of 27th Annual General Meeting dated 30th July, 2019. The Voting period starts from 10.00 a.m. on Saturday, 27th July, 2019 and ends at 5.00 p.m. on Monday, 29th July, 2019. The voting module shall be disabled by LIPL for voting thereafter..

Note : PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL

Solitaire Machine Tools Limited

(CIN: L28932MH1967PLC013747)

Regd. Office: Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034

Email: sales@smtgrinders.com, Website: http://www.smtgrinders.com, Phone: 022- 66602156.

PROXY FORM (MGT – 11)

27th ANNUAL GENERAL MEETING ON 30th July, 2019

I/We being a member(s) of Shares of the above named Company hereby appoint:

- (1) Name Address.....
 Email Id:..... Signature..... or failing him;
- (2) Name Address.....
 Email Id:..... Signature..... or failing him;
- (3) Name Address.....
 Email Id:..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of members of the Company, to be held on Tuesday, 30th July, 2019 at Gold Coins, 6, Arun Chambers, Next to A.C. Market, Tardeo Road, Mumbai, 400034 of the Company at 03:00 p.m., and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- Adoption of Financial Statements for the year ended March 31, 2019.
- Approval of Dividend for the financial year 2018-19
- Re-appointment of Mr. Ashok J Sheth, who retires by rotation
- Re-appointment of Ms. Shilpa Taneja, who retires by rotation.
- Regularization of Mr. Bharat Shah, Additional non-executive & independent director as Independent Director
- Regularization of Mr. Nilam Patel, Additional non-executive & independent director as independent Director.
- Regularization of Ms. Nishita Rajput, Additional non-executive & independent director as independent Director
- Regularization of Ms. Kesha Thakkar, Additional non-executive & independent director as independent Director.

Signed this day of..... 2019

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, 48 hours before the commencement of the Meeting. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 27th Annual General Meeting.